

equality of treatment under the differential system?—You have gone entirely away from the answer I gave you just now.

From these figures have we not established the fact that it is cheaper to work the Napier line than any line in the colony, that next comes the Auckland line, and the Hurunui-Bluff line comes third?—Possibly you are right.

Am I not absolutely correct?—I will assume that you are right; I think you are. I will take a note of it and compare the figures.

Now, under these circumstances, are you justified in charging the Auckland or Napier man £1 5s. for the same service as is rendered on the Hurunui-Bluff line for £1?—I think you will find that the Hurunui-Bluff revenue bears a larger proportion to working-expenses than is the case in Auckland: that really the Hurunui-Bluff customers pay higher rates on the average than the Auckland people do.

Is it any wonder, when the rating is so against Auckland and Napier?—The rating is not against Auckland.

I assert that it is.—My opinion is that it is in favour of Auckland.

Is there not on all Class E a rate and a quarter charged, except direct to the port?—Yes, that is so; and when southern grain is carried up to the Waikato a rate and a quarter is charged.

And when Auckland grain is carried to Newmarket a rate and a quarter is charged?—Yes, but very little goes to Newmarket; it is inconvenient to deliver it there.

Is it not a fact that in Auckland and Napier all goods of Class D are charged as Class C?—No, it is not the case in Auckland; in Napier it is.

Has there been any tariff issued since the 15th March?—It has never been the case, as you state, that all goods of Class D were carried as Class C. If you refer to page 332 of the *Gazette* you will see that the rates have prevailed for many years. There is a separate charge for Class D.

There is a special rate for all goods beyond Ohinewai carried up to Cambridge and Te Awamutu, and on the rest of the line goods of Class D are charged as Class C?—Not on all the rest of the line, I think.

Then there are different rates charged on the Auckland-Onehunga line and throughout the Napier line it is the same; goods of Class E are charged a rate and a quarter: is that not so?—Yes, that is so. There is no produce exported from Napier. It is all an import and retail traffic.

Then we have this fact, that although the Napier line is the most cheaply worked in the colony it is very heavily over-rated. For carrying a ton of goods fifty miles on the Hurunui-Bluff line the charge is 17s. 5d.; in Auckland or Napier it is £1 2s. 11d. For carrying a ton of goods 100 miles on the Hurunui-Bluff it would be £1 6s. 6d., in Auckland or Napier £1 13s. 7d.—that is, for goods of Class D. For goods of Class E for the fifty-mile distance it would be: Hurunui-Bluff, 8s. 8d.; throughout the whole of the Napier line, and on the greater part of the Auckland line, the charge would be 25 per cent. more. For 100 miles on the Hurunui-Bluff it is 12s. 10d., and 25 per cent. more than on the other lines. I think differential rating in New Zealand does not insure equality of treatment to the public?—I never said that differential rating insured equality of treatment.

I think you have?—I never said anything about securing equality of treatment. You are confusing two things totally different.

Do I understand you, then, to say that it does not insure equality in the treatment of the public?—You can get equality of treatment under differential rating just as under any other system.

Then, you mean to say that it is equality of treatment?—I do not say so; but you can get it under like conditions.

We are not getting equality of treatment under like conditions?—Yes, you are; every man can get equality of treatment under like conditions.

What are the differences in the conditions between the Auckland and Napier and the Hurunui-Bluff lines that they should be rated so differently?—They vary so largely that I can hardly state the conditions fully now; they are widely different.

Is it not a fact that the Napier lines pay the best of any lines in the colony?—Yes, the highest rates of interest except the Brunner-coal line.

Then, if they pay the best you cannot justify the ground you take up. You said that the Auckland line did not pay as well as the Hurunui-Bluff line, and that was your justification for the treatment they received?—I did not allude to interest; I think I said the percentage of revenue to expenditure was higher on the Hurunui-Bluff than on the Auckland line.

The revenue cannot be greater in proportion to the expenditure when it costs you 59·75 per train-mile?—Yes, it can. This is the proportion of expenses to revenue: Hurunui-Bluff, 63·84 per cent.; Auckland, 68·48 per cent.

There is one thing quite certain—that the Hurunui-Bluff does not pay as good a rate of interest on the cost of construction as the Napier line?—No, it does not.

It has been repeatedly stated that the justification of differential rating was the cost of the service to the country?—I do not think it has been stated so.

I should like to know how you justify charging thirty-five miles at Christchurch as fifteen miles, while all the rest of the colony pays for the full distance?—You ask why we make a lower rate from Southbridge: there is a large amount of competition on the road by carts.

Then, I want to know how you justify charging 8s. a ton for carrying goods, Classes A, B, C, and D, twenty-one miles from Christchurch to Rangiora, including collection and delivery in Rangiora and in Christchurch, and for the same service in Auckland or Napier you charge for Class A, 14s.; B, 12s. 6d.; C, 11s.; D, 11s.; without collection or delivery at either end?—It is a different rate made to meet road competition. What justifies it is that Kaiapoi and Rangiora are situated on one side of Christchurch, and the Christchurch Railway-station on the other. You have to pass round Christchurch to get to these places by rail, and there is cartage going on direct between Christchurch and these places; therefore it is necessary, if the railway is to be of any use at all to these places, to make these low rates.

Hon. Mr. Richardson: I should like to be allowed to put one question in reference to this matter: Mr. Vaile has stated that this has been done because I happen to represent that district. I want to ask Mr. Maxwell whether it was not the fact that this lower rate was put on at the distinct pressure of the local bodies that had these roads to keep in repair? And, having answered that question, whether it is not a fact that we are still being pressed to further reduce the rates because they do not affect the carrying-traffic on that road?—It is a fact that that demand has been made by the people who have to keep the roads, and by the public who want goods carried. The rate has been in force for years, long before Mr. Richardson represented that district, and was made under another Minister. The local rates were first made when Mr. Oliver was Minister for Public Works. Lately, the people of Rangiora and Kaiapoi have pressed to have them still further lowered, because they say that the carriers are to some extent taking the traffic.

Mr. Whyte: Is that mainly owing to the fact that the road is shorter?—Yes, mainly; and, of course, to the taking-up and putting-down business on the road.

It, in many respects, resembles the traffic between Auckland and Onehunga?—Yes; the carriers take orders from the people at their houses, go direct into town, and take the goods back. It is very difficult to compete with them.

If you did not compete probably the trains would run empty?—Yes; no doubt, if we left the old rates on we should get no traffic.

Mr. Vaile: Then, the scale for the small line from Christchurch to Southbridge, in many respects, is less than half the average general scale?—The local rate is made for the same purpose—to utilise the railway. Cartage competition comes in there again.

I think, when I was asking you what was the justification for imposing differential rates against Auckland and Napier, you said it was because the proportions of revenue to expenditure on the Hurunui-Bluff line was better than it was on these lines?—No; I do not think I said that. I think I said I would reserve my answer to that question.