

68. Yes. In that event the Sandon local traffic is not a factor in the question at all—is not a determining factor?—The question of local traffic will undoubtedly have some effect on the question.

69. But it may be taken that the traffic of any local district, including Sandon, will of itself not be a determining factor in that connection?—It might be.

70. If it be a very great community, of course, it may be a factor, but, speaking generally, is it not a fact that the question of construction of the line from Marton to Levin is a colonial question, not a local one?—It is a Dominion question: that is so. That is how we regard it.

71. Mr. Hiley, in his report, at page 13, says, "Statistics have been compiled to arrive at the extent of the present accommodation, the amount of traffic now being handled, and the growth of business, and it is evident from these records that if the rate of increase of recent years be maintained in Auckland and Wellington the railway traffic in eight years' time will be double what it is now, whilst the rate of progress beyond that period may be expected to be at least at the same ratio"—Yes.

72. That you agree with, of course?—Yes; but there is a disturbing element which has arisen since then—the war.

73. No doubt. I am dealing with the phase which was existing at the time Mr. Hiley penned his report?—Pre-war.

74. Has the war affected the railway traffic to any appreciable extent?—Well, no, it has not.

75. Of course, it affects the cost of construction of new lines and bridges on lines?—Yes.

76. But the volume of traffic has not appreciably diminished?—The volume of traffic has kept up very well. There is a big demand for all New Zealand products now, and we know perfectly well the trouble is in regard to shipping.

77. It is clear, therefore, that at some future time the question of the construction of an additional line from Marton to Levin must receive the serious consideration of the Department?—Yes, but not before those other more important and very urgent works have been provided for.

78. Then is it not a fact that at some future time this question must receive the serious consideration of the Department?—I think I stated yesterday—

79. Would it not be more simple to answer the question?—It will be a long time before that time arrives.

80. It is capable of an answer, Yes or No. It is hardly courteous to say "I stated yesterday" when a simple answer will suffice. Is it not a fact that in England the shortening of important main lines is brought about generally by the pressure of competition?—Competition and the amount of business.

81. In New Zealand the Railway Department has no competition from other railways?—That is so.

82. Then that factor, which is present in England, is eliminated here?—Yes.

83. You also have in New Zealand another factor which must be borne in mind, and that is, is it not, a system by which you make a uniform charge for passengers and freight for all railways in the Dominion?—Our charges are not uniform all over the Dominion. You will find local rates on smaller sections.

84. But, speaking generally, the policy of the Railway Department is to make a uniform charge per mile for freight and for passengers for substantially all lines in the Dominion?—Wherever normal conditions prevail and there is no competition by rail or sea.

85. So that the system of the Department precludes the possibility of any additional charge on the Main Trunk line for the shortage in journey and saving of time which an additional line would create?—The Department would, of course, simply charge its mileage rates.

86. Then it is correct that the system of the Department precludes any charge other than the usual mileage rates in respect of advantages which would accrue from the shortening of the distance from Auckland to Wellington by reason of the suggested new line?—Yes. In regard to any additional new charge, we would regard it as unfair to make it.

87. Does it not follow, therefore, in New Zealand that the straightening of new lines must always be very substantial from the point of view of the public interest? You have not got the pressure of competition, and you have not got, owing to your system, a chance of recouping interest upon your expenditure by increasing freights and fares, and therefore the determining factor must be the interest which the Department must take in the general welfare of the country?—But I do not regard it, and the Department does not regard it, as being in the interests of the Dominion to spend half a million of money on a line which is not required at the present time.

88. That is hardly an answer to my question. I am putting a perfectly general question to you. In considering shortage in a line you have no pressure of competition, and you have no opportunity of increasing charges corresponding to the advantage which the general public get from the shortage of the line, and therefore, in considering any straightening of lines, unlike the railway companies in England, you must substantially consider the interests of the Dominion?—Yes, and also consider the effect it is going to have on our revenue.

89. Now, you have given us some figures the calculations of which I do not propose to challenge, nor have I the material; but I want to point out one consideration which you appear to me to have wholly overlooked. You commenced by showing the loss on freight and passengers over the shorter mileage of seventeen miles?—We put it at fifteen miles.

90. Well, we will assume it to be fifteen miles?—The distance is doubtful.

91. You have treated as a loss the loss of freight and the loss of passengers on a mileage basis over fifteen miles by which the journey would be shortened?—Yes.

92. You have given no figures on the other side indicative of the cost of working the fifteen miles of railway by which the journey will be shortened?—You mean fifteen miles of the present line?