

204. *Mr. Cowan.*] What proportion does the revenue from goods traffic bear to the revenue from passenger traffic?—The following is a statement of revenue and expenditure for the year ended the 31st March, 1885: *Revenue*: Passengers, £1,245 0s. 9d.; parcels, £134 4s. 10d.; goods, £4,976 3s. 1d.; miscellaneous, £36 14s. 3d.: total, £6,392 2s. 11d. *Expenditure*: Hire of stock, £1,828 17s. 7d.; traffic expenses, £544 17s. 4d.; maintenance, £1,779 0s. 9d.; miscellaneous, £34 9s. 3d.: total £4,187 4s. 11d. Net, £2,204 18s.

205. Yes. How much higher are the goods rates on this line than on the Government lines?—Every rate may, perhaps, vary in that respect; but generally they are a good deal higher. Take the rate for grain for instance. The scale on this line is put at 4d. a mile, and the Government scale for a similar distance is under 2d. The rate for wool for twenty miles is 2s. 6d. per bale, and the Government rate is 1s. 11d.

206. Is there any coal from that line?—None. The rate for merchandise here is 15s. for twenty miles, and the Government rates vary from 9s. 2d. to 13s.

207. Has this line all the necessary station-buildings for its proper working?—There are no station-buildings between the two terminal stations to speak of; but people seem to be able to get on without them there, as they would get on in a great many other places if the lines belonged to companies. It is a question of convenience to the public. They can get on without them; it is not impossible.

208. In your opinion, would expenditure be necessary in that direction?—I have no doubt expenditure would be demanded, because it has been demanded already.

209. Have you any idea to what extent that expenditure would be?—No; I could not say. It should not be very large. There are no goods-sheds there, for instance; they have loading-banks. There are no passenger station-buildings except little sheds, about 10ft. by 12ft. If people were satisfied with these things they could do with them; but, as a rule, they are not satisfied.

210. Could you give any idea what rate of profit this railway would pay if bought by the Government for £70,000: would it pay 2½ per cent. or 2 per cent?—I can only say what I said before, that what is realized depends on what is charged for traffic, and how the expenses are computed. Both these things are mainly arbitrary.

211. *The Chairman.*] Could you give any idea of the probable result of reducing to Government rates?—No.

212. Or what reduction would have to be made?—No. The loss might be very considerable. I could not state what.

213. A considerable reduction in the return?—Yes. I am not speaking only from opinion, because the railway was at one time working at Government rates.

214. When was that—in what year?—I think it must have been in 1883.

215. The company, then, lowered the rates, and found there was not sufficient increase of traffic to continue?—No; they adopted the Government rates to begin with, and found themselves obliged to raise them.

216. Could you say whether the increasing of the rates has caused any falling-off in the traffic?—I am not aware that it has. I do not think so.

217. What is the description of goods traffic?—Principally grain and wool.

218. Could you say whether the rates now charged by the company are less than those formerly paid for carriage by road?—I could not say. Before the railway was constructed south of Rakaiia practically no grain was carried. It was not grown.

219. Could you say whether there has been any attempt to compete with the railway?—There is sure to be that over short distances.

220. Then, it depends on the distances of the place from which the grain comes to the adjacent station?—Yes.

221. *Mr. Montgomery.*] What are the gross receipts and gross traffic for each year?—It would take some few days to get that out. We can get it. I could give you last year's. For the earlier years I do not think it was inserted in the reports. Last year the gross receipts to the company were £6,392 2s. 11d., and the expenditure £4,187 4s. 11d. These lines, I may tell you, are in a different position to the Government lines, because they have no rolling-stock of their own. The Government finds the rolling-stock. That is to say, it is a capital invested on account of the company, possibly £15,000; and, as our agreements provide for working at the risk and expense of the company, in making out the charges for the stock I included a sum for interest. I furnish the following return showing the revenue and expenditure from the 9th February, 1880, to the 31st March, 1885:—

Periods.				Revenue.			Expenditure.		
				£	s.	d.	£	s.	d.
9th February to 31st March, 1880	...	...	...	635	4	2	279	12	10
1st April, 1880, to 31st March, 1881	...	...	...	5,237	6	0	3,933	7	2
1st April, 1881, to 31st March, 1882	...	...	...	5,611	1	5	3,981	15	1
1st April, 1882, to 31st March, 1883	...	...	...	4,888	10	2	3,484	7	4
1st April, 1883, to 31st March, 1884	...	...	...	7,477	12	5	4,135	0	5
1st April, 1884, to 31st March, 1885	...	...	...	6,392	2	11	4,187	4	11

222. Interest on stock?—Yes; so that a part of what we call working expenses includes interest on stock. On the Government lines we do not deal with the rolling-stock accounts in that