

RICHARD WILLIAM MCVILLY sworn and examined.

*Mr. Myers.*] You are General Manager of the New Zealand Railways?—Yes.

And have been for how long?—About two years.

Prior to that you were Assistant General Manager for some time?—Yes, actually Assistant General Manager for about three years.

And prior to that you were Chief Clerk for how long?—Fourteen years.

I think your whole business life has been spent in the service of the New Zealand Railways?—That is so.

During the time you were Chief Clerk and Assistant General Manager I take it you used to consult with the General Manager and the heads of the branches with regard to such questions as those which are before the Commission now?—Yes, I was in constant consultation with them.

You have, I think, considered carefully, both by yourself and in consultation with Mr. MacLean and your other colleagues, the question as to the best course to be adopted to meet the difficulties at Palmerston North?—Yes, I have given careful consideration to it, and I have very fully discussed the matter with Mr. MacLean and others both while I have been General Manager and previously with Mr. Hiley, the former General Manager, and with Mr. MacLean's predecessors.

Are you satisfied that serious alterations in connection with the facilities at Palmerston North are not only necessary but absolutely essential?—I am. The position at Palmerston North is so serious that unless it is tackled, and tackled in earnest, almost immediately the Department will be unable to carry on its business satisfactorily in the very near future—with satisfaction to itself, to the public, or to the Government.

May we take it that the question is one which would have been tackled and gone on with between 1914 and the present time but for the war?—Yes, that is so.

You have heard the evidence given this morning by Mr. MacLean with regard to the various schemes that have been under consideration, and as to the conclusion at which he has arrived—namely, that the diversion shown in Plan No. 26453 is the only feasible one?—Yes, I have heard that, and I agree with it.

And do you agree with the reasons as given by Mr. MacLean upon which that opinion is based?—Yes, I do.

Do you agree that whatever might possibly be done in connection with the Main Trunk deviation, the Palmerston North difficulty must be settled immediately?—That is inevitable. The Palmerston North difficulty must be settled, and there is no time to waste.

On its own merits?—Yes, entirely.

Do you mean irrespective of any other scheme in connection with any other branch of the line?—That is so. I regard Palmerston North as the most important subterminal in the country. It is the point to which the whole of the through traffic of the North Island Main Trunk lines and branches concentrates and from which it is redistributed. Any difficulties or delays at Palmerston North affect the whole railway system in the North Island. For years past the difficulties that the Department has had to contend against at Palmerston North have been very real, and they have given Mr. Ronayne, Mr. Hiley, and the principal officers in the Department food for very serious consideration. With my intimate knowledge of the business I have come to the conclusion that the proposal which has been made for the deviation and rearrangement of the Palmerston North Station is the only satisfactory way of dealing with the problem. I am looking at it, first, from the point of view of the Dominion as a whole in regard to the railway system; secondly, from the point of view of the town; and, thirdly, from the point of view of the Railway Department. I am not putting the Railway Department first in this matter at all.

You are putting the interests of the general public first?—Exactly.

Prior to this deviation being determined upon by yourself and your colleagues, had your Department come to any definite conclusion as to what was the best course to be adopted in regard to the facilities at Palmerston North?—No, the position was that certain tentative proposals and some sketch-plans had been prepared showing what was thought might meet the position existing prior to 1914, but when we investigated the proposals recently it was very apparent that the requirements of the traffic were such that they could not be met by the scheme indicated in the sketch-plans and tentative suggestions such as had been made.

So that any sketch-plan prior to this diversion shown in Plan No. 26453 were mere tentative trial schemes prepared for consideration?—Yes.

Does that observation include this red scheme and green scheme alternatively in Plan No. 26630?—The observation includes that, yes.

I think it was Sir James Wilson or Mr. Field who on Friday last referred to some scheme that it was suggested Mr. Hiley had submitted to the Palmerston North Borough Council. Do you know to what that observation refers?—Mr. Hiley had some interview with the Palmerston North Borough Council early, I think, in 1914, just after he came here, and my recollection of it is that what he principally discussed then was a tentative scheme which involved the closing of Cook Street.

Had Mr. Hiley arrived at any definite scheme, or was he feeling his way with a view to coming to a decision as to a definite scheme?—The position was that prior to Mr. Hiley coming here the closing of Cook Street and other questions at Palmerston North had engaged considerable attention at the hands of the Department. We had been negotiating for a long time to close Cook Street with a view to seeing what we could do to relieve the troubles at Palmerston. We had not been able to arrive at a satisfactory solution of the Cook Street problem, nor had we been able to arrive definitely at a plan which would overcome the difficulty at Palmerston North. Mr. Hiley was largely concerned in closing Cook Street, and as that was then a burning question he was asked to