

well defined as possible; but it would be a hardship to make a man pay double fare for going only a short distance. It would also take traffic from the railway.

20. Is not that considering competition, which you said you would not consider?—No, I do not think so. I do not do it on account of competition, but because it is just.

21. *Mr. O'Connor.*] I should like to know how this system tends to build up towns?—If a man gets the fare for himself and his goods fixed over the whole or any portion of a distance, he will, in establishing any particular industry, naturally select the spot on this portion of the line which suits him best; and round that place some sort of a village would grow up. I would then periodically, as the population was ascertained, fix these stages—that is, the extra stages outside towns of more than two thousand inhabitants—and when there were a sufficient number to warrant a reduction, would reduce the rates all round; and in this way, although the number of stages was increased, the through-fare would probably be less than that we commenced with. Even if it should not, people could better afford to pay the through-fare, because there would be more trade to be done. But I believe that periodically—say, at the taking of the census—we should be able to reduce the price of the stages, and really the through-fare would not be more than at the start, while the stage-to-stage fare would be much less.

22. As the population increased the revenue of the railways would also increase?—Yes, certainly. The whole object is, first, to encourage settlement of the country; ultimately we would arrive at a system which would practically annihilate distance as far as regards charges for transit.

23. That process would eventually have the tendency of equalizing the value of land all over the colony. Have you considered how enormously that would enhance the value of estates in the interior, now only of use as sheep-runs?—Clearly it would; and I hold that would be a great public benefit, as it would make these properties contribute a larger share to the revenue. I do not think that the process would have the effect of reducing the value of land near the towns; for, the more settlement takes place in the outer circles the greater must be the value of the seaport or other large towns. The value of Christchurch could not be reduced because there was a town of ten thousand inhabitants, and another town of five thousand fourteen miles outside of it. My great object is to fix our population. We are constantly losing population. People come to settle, and go away again simply because of this transit question. That is what has cleared the workmen out of Christchurch—the being compelled to starve on a 35ft. lot. If such facilities as I propose had been afforded them, they could have had two or three acres within a distance of, say, fifteen miles of the city, and would not have been so ready to run away.

24. *Mr. Hatch.*] In view of these workmen living out of town, would you also increase the number and speed of the trains?—Yes. I take it that the one thing must follow the other.

25. Then, the whole system of running trains, &c., would have to be reorganized?—Yes; and it would be a very good job, too. I believe we could find work for five times as many people on our railways if they were managed on a system that would pay.

26. *Mr. Whyte.*] Everybody admits that the present railway system has a tendency to increase the growth of large towns. But do you not think that if the facility for getting to and from the large centres be increased the evil will be increased, and not diminished?—No, I do not think so. The reason why large centres are massed up is, in many instances, you will find, that the transit charge is less over the portion of the line a short distance from the centre. My system just reverses this—it gives you a less transit charge on the part of the line farther from the centre.

27. It appears to me that the effect of cheap transit to and from the big centres would be to kill the smaller towns?—That is a question often asked me by storekeepers in country towns. Some of them take the same view—that all the people would go to town to do their business, and that the storekeepers would be ruined. I reply thus: If you take any of our large centres—I speak of Auckland, which I know—you will find that not only can the suburban shopkeepers hold their own with the large Queen-Street shopkeeper, but they can beat them—in price and in every way. People living in the suburbs habitually deal with the suburban shopkeeper, for the simple reason that his charges are so much less. Now, if you do what I propose, you give the storekeeper facilities for making his purchases and carrying his goods at a cheap rate; so that the expenses of conducting his trade would be much less than under the present system. In this way he can compete with the town storekeeper. People will not go into town for the pleasure of carrying their goods to and fro.

28. *Hon. Mr. Richardson.*] Do you consider Timaru a large town—It has a population of about six thousand?—I think that is a fair-sized town.

29. As a matter of fact, the Government have been running excursion trains to and from Christchurch at very low rates—nearly as low as you propose. The cry-out from the shopkeepers in Timaru has been to stop these trains, because people there take advantage of these trains to do their shopping in Christchurch?—I quite believe that. That would undoubtedly be the result if excursions were run only occasionally, and not every day; but under the proposed system the storekeeper would also be able to take advantage of cheaper fares and rates on his goods. I should like to say that personally I am unacquainted with the Christchurch lines; so that the stages as set down on the diagram may want adjusting. I would require a good deal more information than I have at present to enable me to fix precisely where these stations should be. But the principle to be applied is the same. You now reckon by even stages of a mile all through. I think a mile-stage is too short, and propose to increase that to seven miles, and in certain instances to a longer distance, but still to reckon by stages.

30. *Mr. Hatch.*] If you increase the stages from one to seven miles and fifty miles, do you at the same time propose to show how you would reduce the cost of running trains for that seven-mile or fifty-mile stage?—I cannot do that.

31. And all fares and rates from stage to stage are to be uniform, irrespective of distance—for seven miles or for fifty miles?—Yes, that is so.