

130. I understood you to say that you only refixed the stages periodically—when the census was taken, for instance?—That is as regards lifting out stages, if I may use the term.

131. And you would never alter your rates or fares under any circumstances except then?—I would; only I say that the alteration or reduction should be universal when it is made.

132. If you add a ticket-station between Auckland and Te Awamutu you raise the fares?—Yes, the through-fare, if you do not at the same time reduce the fares all round. My contention is that before another five years pass we could make such reductions that the through-fare would be much less than at the starting-point.

133. But in the meantime you are going to raise the fares every time you add a ticket-station?—Yes; but we do not add or remove a ticket-station except when we ascertain the population.

134. But if you found that the population increased sufficiently in Auckland to make a reduction, and that it had not increased sufficiently in Wanganui, would you also make a reduction at Wanganui?—Yes, and all over the colony.

135. And, therefore, if you found that Auckland had increased in population, and that no other portion of the colony had, you would fix your fares throughout the colony by the fact that Auckland had increased?—No; I should fix the fare by the fact that the railways returned such a revenue as would allow of alteration: but I say that, if any alteration was made, it should be universal throughout the colony. I should work on the general average.

136. You said you would have to increase the number of trains to carry passengers, and the number of hands to do the work?—My belief is that the development of trade on the railways would be so great that it would give employment to many hundreds more people than now.

137. And run more and faster trains?—Clearly, where they are wanted.

138. Do you not think it would increase the expense?—Of course, the more trains you run the more you must pay; but I contend that we can, on a general average, carry five passengers where we now carry one, without any increase of cost.

139. You said that we must not look for interest on the cost of permanent way: you mean the cost of construction exclusive of the cost of rolling-stock?—Yes; I mean the road itself, and the rails.

140. Why do you except rolling-stock?—Because on macadamized roads a man either uses his own buggy or dray or he pays a carrier to do this service for him: therefore it is fair and right that the users of the railways should pay for the conveying done. They ought also to be charged a profit on the cost of conveying.

141. Is it not the practice to levy rates to pay interest on the cost of roads and maintenance?—I believe, as a general rule the main trunk roads of the colony are maintained either directly or indirectly by the General Government. I say that the railways ought to be placed in the same position.

142. In order to pay interest on the cost of roads the practice has been to levy rates on the district?—I say it is not the practice to make any road pay interest on the cost of construction.

143. How, then, is the interest paid?—Out of the general rates or revenue.

144. *The Chairman.*] Where is there a main road kept by the Government?—I think there are several—the Onehunga road, for instance.

*The Chairman.* Yes; but they levied a toll on that.

145. *Mr. Maxwell.*] Do you suggest how the interest is to be paid on the cost of railways supposing your rates do not pay, for the sake of argument?—They do not pay now, for that matter. I have said repeatedly that I consider the permanent way of a railroad in precisely the same category as a metalled road. It is for the Government to determine how the interest is to be paid.

146. *Mr. O'Connor.*] I understand Mr. Vaile to say that his plan is to reduce the charges so as to make the returns barely cover the cost of the rolling-stock and ordinary expenses, and that he proposes to throw the whole cost of the railway itself and the money expended in constructing it upon the colony at large?—I do not propose to do that immediately, but I think we should gradually approach that point as the revenues of the country will admit of it.

147. *Mr. Hatch.*] You have stated that railways should be put on the same level with roads: would you, then, levy a general rate on all land through which railways pass?—No. What I have said is that, while I lay down as a principle that there should be no distinction between a railroad and an ordinary road, as regards the permanent way, I also say that by treating the public more liberally with reference to the railways we can get such a sum of money out of them as will pay all interest; and it is open for us, as a community, to say whether we will take the whole of our payment in direct interest or part of it in interest and part of it in transit facilities.

148. *Mr. Maxwell.*] In considering the question of passengers, do you not recognize that there is an enormous difference between the suburban traffic, where people use the railways for their ordinary daily business, and long-distance traffic—I mean in the class of traffic?—No, I do not recognize any difference. People, as I have said, travel for either business, pleasure, or health: that applies to the country as well as the towns. Of course there is a difference in quantity.

149. Then, with regard to passengers changing seats at every station, whereby you said there is a chance of making 17s. from thirty-four stations, if you double your stations you would expect to earn £1 14s.?—I presume so, always assuming that there were passengers.

150. But do you think that would be the case?—No, certainly not.

151. Then, going on to the question of the average fare, I had taken out some time ago the passenger-traffic within certain ranges on the Hurunui-Bluff section, that being the largest connected system, and the one likely to give the best average. [Return handed in.]

*Mr. Vaile.* I would like to call the attention of the Committee to this fact: When I moved, through Mr. Peacock, for the return from which this statement must have been compiled, the answer made in the House was that it could not be furnished on account of the great cost to the country. The department, refusing to give it to me, have taken it for themselves.