

WEDNESDAY, 16TH JUNE, 1886.

Present: The Chairman, Hon. Major Atkinson, Messrs. Gore, Hatch, Macandrew, O'Connor, Walker, Whyte, and Hon. Mr. Richardson.

MR. VAILE'S examination continued.

32. *The Chairman.*] You said yesterday that you would devote the whole of this morning to the financial aspect of the question. The Committee will be glad if you now explain?—In considering the question of the financial results to be obtained from the system I propose, I should like it always to be borne in mind that personally I consider the direct financial result quite a secondary consideration as compared with the indirect benefits which would be derived from the adoption of the system. I contend that if we grant very cheap transit it will lead to an enormous increase of trade, to a large increase in the settlement of the country, and will also greatly assist in developing the general resources of the colony. Consequently the general expansion of the revenue would be far more than would compensate for any direct loss, even granting that a direct loss could be made. I am very clearly of opinion that it would pay us well to expend a considerable sum of money in securing cheap transit; but at the same time I contend that under my system no loss can be made. I argue that the railways are simply the great highways or roads of a country; and, as we should never dream of attempting to derive revenue from macadamized roads, I do not see why we should look for revenue from the permanent way of railroads. I think there can be no worse form of levying taxation or raising revenue than by placing an embargo on the transit of the people and produce of a country. If you create revenue by using the roads for that purpose, you must to an immense extent cripple trade and commerce. I might produce many arguments in support of that theory if it were necessary to do so. The question as to whether the plan I propose will produce good financial results rests on the answer to three questions: first, is the inducement offered in the shape of reduction of fares sufficient to induce two or more fares to be taken where one is taken now? next we shall have to consider what would be the average fare under the proposed system; and, thirdly, would there be any extra cost, and if so, what would be the extra cost of carrying two fares where we now carry one? In considering the first question I wish to call the attention of the Committee to the better financial results that would be gained by reckoning fares by stages instead of having an even mileage rate. For instance, if a man gets into a first-class carriage at Auckland, his fare for the whole distance to Te Awamutu would be £1 0s. 10d. Now, if a man got in at Auckland, and only went as far as Newmarket, another man might take his seat and go on to Remuera, another man might in turn take the same seat and go to the next station, Green Lane, and so on throughout; but nothing more than the full fare would be realized under the present mileage system. As a matter of fact in some cases—by breaking the journey at Penrose, for example—you can do the journey for a few pence less. At any rate, you cannot earn more than the through-fare, no matter how many persons occupy the same seat during the journey. Now, when you reckon by stages the result is totally different. On the Auckland line there are thirty-four stations between Auckland and Te Awamutu: the consequence is that, reckoning the first-class fare, as I propose, at 6d., it is possible for each seat to earn 17s. That is, as there are thirty-four stations on the line, and as the fare is 6d. for the whole or any portion of a stage, it is possible for a seat in a first-class carriage, by getting a succession of passengers from station to station, to earn 17s. during the journey. It is on that principle that the London omnibuses are run. The through-fare from Harrow Road to the Bank is only 2d. It is clear that no man could afford to carry passengers the whole distance at such a fare as this; but where he makes his profit is in this way: a man gets in, say, at Harrow Road and travels as far as the Marble Arch, another takes his seat and goes as far as the Circus, and by the time the omnibus arrives at the Bank each seat will probably have earned 1s. I propose to apply the same system on the railways—to give each seat the chance of earning more money by this station-to-station work. Now, while I expect that this system would at least double or treble the through-fare, in my calculations I have always considered the through-fare only, and consequently have the probable increase from this source to the good. Then we have to consider the question, are the inducements sufficient to make two fares to be taken where one is taken now? The present fare from Waikari to the Bluff is, first-class £4 10s. 11d., second-class £3 0s. 9d; my proposed rates would be, first-class 18s. 6d., and second 12s. 8d.: is that sufficient inducement for two fares to be taken for one that is taken now? From Waikari to Christchurch the present fares are, first-class 10s. 5d., and second-class 7s.; I propose to reduce them to 2s. 6d. and 1s. 8d.: is that reduction sufficient to cause two fares to be taken where one is taken now? From Christchurch to Oamaru the fares are £1 11s. 8d. and £1 1s. 2d.: I propose to reduce them to 6s. 6d. and 4s. 8d. The through-fares from Christchurch to Dunedin are at present £2 7s. 11d. and £1 12s.: I propose reducing them to 11s. and 7s. 8d.

33. *Mr. Macandrew.*] Would you be good enough to explain what difference you would make between Dunedin and Port Chalmers?—The fares there would be 6d. and 4d.—for one stage only.

34. *Hon. Mr. Richardson.*] Do you know that the distance between these stations is between eight and nine miles? In that case would you make the fare for one stage on the whole of that line?—Yes—one fare for the whole or any portion of that line. I should like to make it clear to the Committee that I am now arguing out the question only with respect to single fares, and am not considering the season-ticket system. That could also be applied to my proposals, but in order to avoid confusion I now keep to single fare as against single fare.

35. *Mr. Whyte.*] Will you show us the difference between the fares at shorter distances, to see whether that would produce two fares for one?—Starting from Dunedin and going south we come to Wingatui. The present fares are 1s. 6d. and 1s. 1d.: I propose to reduce them to 6d. and 4d. The distance is eight miles. Then, coming to Greytown, the present fares are 3s. 2d.