

and 2s. 1d. : I propose to make them 1s. and 8d. To Titri the fares are 5s. and 3s. 4d. : I propose to make them 1s. 6d. and 1s. To Milburn, present fare, 6s. 8d. and 4s. 6d. : I would reduce them to 2s. and 1s. 4d. To Kaitangata, present fares, 11s. 7d. and 7s. 9d. : I propose to make them 2s. and 1s. 4d. Then, taking the Auckland lines, coming first to Penrose, the present fares are 1s. and 9d. : I propose to make them 6d. and 4d. Then, to Manurewa, fifteen miles, the present fares are 3s. 2d. and 2s. 1d. : I propose to make them 1s. and 8d. Then, to Drury, present fares, 4s. 7d. and 3s. 1d. : I propose 1s. 6d. and 1s. Pukekohe, 6s. 3d., 4s. 2d. : reduced to 2s. and 1s. 4d.. Then, stretching away to Hamilton, the present fares are 17s. 6d. and 11s. 8d. : I propose to reduce them to 2s. 6d. and 1s. 8d. To Te Awamutu the present fares are £1 0s. 10d. and 13s. 11d. : I propose 3s. and 2s. The point to be considered is, will these reductions be sufficient to induce two fares to be taken where only one is now taken? I argue that the inducement is more than sufficient. Men doing business at a distance from town would certainly come in two or three times for once they come in now; and it will also work in this way: People, instead of travelling, as they now do, alone, will often take members of their families or friends with them. In many other ways the number of fares would be increased. For instance, on a Thursday or Saturday half-holiday what crowds of people would travel on the lines who never think of going now! They never use the lines now for purposes of recreation except on excursion-days; and that is a very irregular sort of traffic. But, if they could get to the stations immediately outside of the towns, fifteen miles on either side of them, for 8d., what crowds of shopmen, clerks, and working-men would go out on a holiday or a Saturday! I maintain that we would get at least five fares for one that is taken now; and that would mean about half a million added on to the revenue from passenger-fares alone.

36. If you take the fares from Auckland to Hamilton, it would require at least seven passengers to make up the amount to what is now charged for one; and if your fares only increased two to one for that distance, would it not follow that the shorter distance fares would have to be increased a great deal more than two to one in order to make up the deficiency on the longer stage?—The way it works out is this: Take the figures for 1883–84—the fares taken, according to the tables, were 3,272,644; they produced £321,615. That gives an average fare by each passenger, no matter whether he was first- or second-class, long distance or short, of 1s. 11d $\frac{1}{2}$. Now, it is clear that if you adopt any plan—it does not matter what—so that you can make sure of taking two fares where you now get one, and if you can also make sure that those two fares do not sink below an average of 1s., you must be a gainer: 2s. is clearly better than 1s. 11d $\frac{1}{2}$. The difference would be, I think, about £50,000. You must bear in mind that we are dealing with an average of the whole. If it is allowed that we carry so many passengers, the only other question to be established is, will the average fare sink below 1s.?

37. *Mr. O'Connor.*] You want also to establish the average distance travelled by each passenger? Yes; that will come presently. (To Mr. Whyte): You want me to show that the average fare will not sink below 1s.?

38. *Mr. Whyte.*] Yes; because for some stages you must get seven fares for one: therefore the number of passengers on the short stages would have to be increased immensely, unless the long ones are increased by seven to one?—I will show you. If we take the fares coming from any centre, the first stage is seven miles, for which we charge 6d. and 4d.; but as soon as you cross that stage the fares become 1s. and 8d. up to the next stage, which is fourteen miles. But if you cross that line to the next stage—that is, if you travel more than fourteen miles—the fares are 1s. 6d. and 1s., or an average of 1s. 3d. The average distance travelled now is thirteen miles; and I certainly expect that the great advantages and inducements offered by the new system to long-distance fares would lead to the average distance travelled being extended to sixteen or seventeen miles at the very least.

39. *Mr. Hatch.*] That argument would not altogether hold good if you issued special tickets from one side of a stage to the other to save two fares having to be paid?—That would be a disturbing element to some extent; but you will readily see that there could not be many of that kind of fares. I could have placed this question of the average fare out of all dispute if I had been furnished with a return which either Mr. Whyte or Mr. Peacock moved for—a return of all the bookings of passengers from every station to every station, distinguishing between first-class and second-class fares. The return was refused; but I have no doubt it would have come out in my favour. I feel absolutely certain of my average fare.

40. *Mr. Whyte.*] That is really the basis of your argument from a financial point of view—first, will you obtain two fares for one; next, will your average fare sink below 1s.; and, last, what will be the extra cost of haulage, if any?—Yes; I contend that the inducements are sufficient to give even five fares; but, if there were only inducements to give three fares for one, you would not want your average of 1s.—you would only want 8d. then to get your financial result. I look at it in this way: that our railways have failed to do the work for which they are intended. Here, in New Zealand, we are naturally travellers: if we were not we should not be here. We like to travel, and have the money to pay for it. Now, in Great Britain the population is shifted every year nineteen and a half times; but here, last year, we only shifted our population something less than five and one-third times.

41. You must remember, however, that as long as the railways are sparsely distributed they can only bear a small portion of the shifting of the population which is going on; the saddle, coach, steamer, and foot do a large part of it?—You mean that a large portion is shifted by other means outside the influence of the railways. Well, the population outside the influence of the railways, taking the most liberal calculation, does not amount to more than 11 per cent. of the total population.

42. What I mean by beyond the reach of the railway is not only that many people cannot get to a railway, but also that many others have to do a great deal of travelling within ten or twenty miles of the railway in the saddle or otherwise, perhaps, to get to the railway?—You must bear in mind