

61. I think second-class passengers, as a rule, are better able to afford travelling than first-class passengers?—Yes; but under the proposed system people would be able to afford to travel first-class. Instead of getting three and a half second-class fares for one first-class, as we do now, I expect that we should get three and a half first-class for one second; and this would enormously aid the financial result.

62. Which of the lines in the colony would you consider the best to make the experiment on of trying the system?—I do not think I could answer that question without some further information.

63. *Mr. Walker.*] Do you think it would be a fair test to try it on the Auckland line?—I could not say without further information, because I am dealing with the general average of the whole railways of the colony.

64. *Mr. O'Connor.*] Have you ever known any place where this system has been tried—for instance, where coach fares have been reduced to equally low rates?—No; I do not think such a reduction has ever been proposed.

65. Suppose a coach has been established in any part of the country, and travels a certain distance for £1, and that fare is reduced to 2s. 6d., do you think that would be sufficient inducement for people to travel—given good roads, good coaches, plenty of accommodation, and every inducement you have here?—In considering the question of coaching as against railway travelling, you have always to bear in mind that the coach takes a much longer time. Very few people can stand a long coach-journey—especially ladies; and they form an important portion of the travelling public.

66. Now, do you not think that, as soon as the novelty of the thing wore off, and when people came to look upon 1s. as the legitimate price to pay for being carried two stages, they would not travel any more than they do now?—No; I fully believe that the amount of travelling would increase largely from year to year—that it would be a constantly-increasing stream. When I was in London the Metropolitan Railway was opened. For about a fortnight the Bayswater omnibuses ran very nearly empty, but within two months there were more omnibuses on the line, and the underground railway was crowded, as every one knows. In Auckland, where they have established tram-cars, there were omnibuses on the western circuit moving from seven hundred to a thousand people per week. The tram-cars now move from sixteen thousand to twenty thousand, and the omnibuses are as fully employed as ever. All this tram-car traffic in Auckland is purely additional traffic; and I contend that the same thing must result on our railways if we give the same facilities. The more you give facilities for travelling, the more you increase it. I am speaking of the western circuit only.

67. *The Chairman.*] I think they are carrying about sixty thousand on the two circuits?—And that is all additional traffic. Supposing, then, that there is a large increase in the number of short-distance fares, all we want is four fares at 6d. to get the result we are getting now.

68. *Mr. Whyte.*] Not if on the long distances you lose 15s.?—We do. The average is the same. If we get four sixpences, it is no matter how we get them.

69. *Hon. Mr. Richardson.*] I do not see how the average comes in in that case?—Is it not absolutely clear that if we get four sixpences it is better than 1s. 11½d?

70. I understand that your whole system depends upon getting an average all through. Granted that you do get even ten to one at the short distances, when it comes to the long distances how do you make up the average?—You must look at the general average taken as a whole. If the general average now over the whole lines for long or short distances, first- or second-class fares, is 1s. 11½d., it is manifestly clear that if we get four fares at 6d. for every one we get now, we must make a profit.

71. But can you answer my question? Supposing you do get tenfold at the short distances, without the long-distance fares, where does the average come in?—I do not admit that we should be without the long-distance fares. My assertion is, that from every station where we now get one fare, under my system we should get at least two or three. All the large increase of short-distance fares you speak of would be to the good.

72. *The Chairman.*] There is one point in your statement which you have not touched upon—that the Government be relieved of their present liability as carriers?—I argue that it is advisable to work our railways at as small an expenditure as we possibly can, and that transit ought not to be made a means of raising revenue. In case of an accident, the Government might be involved in a very serious loss for damages; therefore I would wish to relieve them of their responsibility as carriers. I think the direct users of the railways are the right people to guard against that loss; and I propose to have an Insurance Department in connection with the railways, and let people insure themselves and their goods if they think proper to do so.

73. *Mr. O'Connor.*] Do you think that would be fair to the individual?—I think it would be fair to the individual user of the railway. The difficulty comes in here: When the general community has to make up this amount, and the Government is held liable for loss by accident, they must charge such a price as will cover the possible loss. I propose to do away with that, and throw the burden on the users of the line.

74. Then you increase these fares by making people pay for insurance?—No; I would simply establish an insurance something on the plan they have at Home: for, say, 3d. extra they insure you for your journey for, perhaps, £1,000. But it is entirely at the option of the individual whether he takes advantage of it.

75. But you know that that insurance does not deprive an individual of his claim against the Government in case of accident. Do you propose to deprive him of that claim here?—Yes, I do.