

88. Then you said you wished to annihilate space as regards the cost of transit: you mean, of course, the charge to the public; you do not mean the cost of the service, because you cannot alter the cost of the service by the introduction of stages?—No; of course I mean the cost to the public.

89. As far as getting the people on the land is concerned, I understand you hold that low rates are desirable that people may be better able to send their produce to market?—Yes; low rates would encourage sending goods to market.

90. And therefore you say it will induce people to settle on the land?—Yes.

91. You are, of course, aware of the low rates charged for sending agricultural produce into Auckland, and that there is a rate and a quarter charged for sending it inland back to the country. Do you think that the rates at present charged from the Waikato for agricultural produce prevent the growing of grain in that district?—I think it is absolutely certain that they prevent the production of agricultural produce.

92. Do you know that grain is sent up from the Middle Island, and, after paying the freight and port charges, it is sent up the Waikato by rail?—That is seed-grain, I presume.

93. No; there are large quantities of grain, flour, and oats going up into the country?—That does not affect the question.

94. Does it not affect it in this way: that it shows people in the Waikato do not grow their own grain?—It shows that by unfair rating the Waikato farmers are beaten in their own market.

95. I do not think it proves that. I will state the fact again. The people in the Middle Island pay the same railway charges, the port charges, the freight to Auckland, and the wharf charges there, and then pay a rate and a quarter further railway charges to send their grain for consumption in the Waikato?—It is because the rates are so heavily against Auckland that the farmers cannot compete with those in the South.

96. *Mr. Walker.*] I should like Mr. Vaile, or any of the Committee, to say whether there are any special reasons why the Waikato does not grow sufficient wheat?

*Mr. Whyte:* The crops there are very fair.

*Mr. Vaile:* The main reason is, that all the land there is naturally either fern, or tea-tree, or bush, and it takes from six to ten years before it can be brought into a condition fit for growing wheat.

*Mr. Whyte:* Yes, that is correct; but there is a great deal of land now in the Waikato perfectly fit.

*Mr. Vaile:* But they do not grow it because they cannot pay the rate.

97. *Mr. O'Connor.*] Is it not because they find other things pay better?—Undoubtedly that has something to do with it; but I claim that the rates all through the colony—not merely in Auckland are far too high.

98. *Mr. Maxwell.*] I was going on to ask another question in the same category. Do you know what price it costs per head to send cattle from Ohaupo to Auckland as compared with the cost of shipping them from Waitara. It is 8s. as compared with 17s. per head. Do you think the railway rates prohibit the raising of cattle in the Waikato district?—I do not see that that touches any point before the Committee.

99. I think it bears on the question of railway rates, which you say are too high. I want to point out that people get large quantities of cattle from Waitara at a cost of 17s. per head, while they could get them conveyed from the Waikato at 8s. per head?—Mr. Chairman, if I understand rightly, the Committee was to confine itself to the question raised in the petitions. If we get into a general discussion of railway rates, I fear the thing may be interminable. I say at once that I am not prepared to go into that discussion. The question Mr. Maxwell raises is one of general railway rates. If he chooses to ask me anything about the differential-rating system, I shall be prepared to answer.

*Mr. Maxwell:* In the papers before the Committee there is frequently the statement that the present rates are too high.

*Mr. Whyte:* I understand, Mr. Vaile, that we are now under the heading of production being stifled by railway rates.

*Hon. Major Atkinson:* It is quite a legitimate question, if we are wise in pursuing it. The Committee should have information upon the point, but I do not think they need care very much to have Mr. Vaile's opinion about it: it is from Mr. Maxwell they should get information of the sort.

100. *Mr. Maxwell.*] Mr. Vaile contended that the railway rates prevented the establishment of industries up country. I want to show that the railway rates do not do so as far as cattle are concerned?—I take up the general ground that if we want to develop our industries we cannot get transit-charges down too low. I would bring down the railway-charges so low that no other means of transit would be able to compete. There is one other point I wish to state which I have not touched upon before. I should expect to make at least £200,000 per annum by the increase of profit on the passenger-rates. Now, the total goods-traffic realizes, roughly speaking, £600,000; and I would apply the £200,000 to the reduction of the rates on goods—equal to an all-round reduction of about one-third. I would not apply it indiscriminately, but to the reduction of the charges on natural products, such as agricultural produce, minerals, &c., so as to bring the transit-charges on natural products to the lowest possible limit.

101. We come now to differential rating. I understood you to repeat what you stated in one of your lectures, which is before the Committee. You said that "differential rating meant charging different prices for the same service rendered on different portions of the lines"?—What I said was this: that differential rating meant charging different prices for the same service rendered on different portions of a line.

102. Yes; that is what I understood. I have worked out some of your fares as stated in the pamphlet you wrote a short time ago.