

Examples of Rates and Fares computed from Mr. Vaile's proposed System as set forth at page 34 of his Pamphlet of February, 1886.

First-class fares—						s.	d.
Hunua to Buckland, twelve miles, three stages	..	..	..	..	..	1	6
Hunua to Otahuhu, twelve miles, two stages	..	..	..	..	..	1	0
Runciman's to Papatoitoi, twelve miles, three stages	..	..	..	..	..	1	6
Runciman's to Hamilton, sixty-one miles, two stages	..	..	..	..	..	1	0
Buckland to Papatoitoi, twenty-two miles, four stages	..	..	..	..	..	2	0
Buckland to Te Awamutu, sixty-seven miles, two stages	..	..	..	..	..	1	0
Buckland to Auckland, thirty-three miles, five stages	..	..	..	..	..	2	6
Rates, wheat—							
Buckland to Auckland, thirty-three miles	..	..	..	..	..	4	2 a ton
Buckland to Te Awamutu, sixty-seven miles	..	..	..	..	..	1	8 "
Minerals—							
Buckland to Auckland, thirty-three miles	..	..	..	..	..	5	0 "
Buckland to Te Awamutu, sixty-seven miles	..	..	..	..	..	2	0 "
Coals—							
Mercer to Hamilton, forty-one miles	..	..	..	..	..	1	0 "
Mercer to Otahuhu, thirty-four miles	..	..	..	..	..	4	0 "
Mercer to Runciman's, twenty miles	..	..	..	..	..	2	0 "

With reference to your definition of differential rating, I would remark that it is not upon the amount of the rates that I now wish to comment, but upon the relative rates and the relative manner of charging. Taking your passenger fares from Buckland to Te Awamutu, sixty-seven miles, two stages, 1s.; Buckland to Auckland, thirty-three miles, five stages, 2s. 6d., is not that charging different fares on different portions of the line?—No; because in every district in New Zealand, wherever there are railways and districts situated similarly, the same charges are made. I do not think that is differential rating.

102A. I shall point to two or three other cases. Mercer to Otahuhu, thirty-four miles, your proposed rate for coal is 4s., and Mercer to Runciman's, twenty miles, it is 2s. Why is the person at Otahuhu to be charged 4s. and the person at Runciman's 2s.?—For the reason that I have always stated: to induce settlement in the blank spaces. I think, if you follow my system out you will find that it gives the advantage for the time being to the people living in the blank spaces, to induce more to live there.

103. If you started from Auckland I could see how the persons in the blank spaces might get the advantage; but I do not see it in these cases?—Yes; because they have only to pay for one stage.

104. I think your definition of the term "differential rating" is a very limited one. There are a great many ways of rating differentially. The first of these is classification—dividing goods into classes, and charging according to the value, bulk, and other characteristics. The next is differentiation for distance: as a rule, it may be laid down that it is cheaper per mile to carry for long distances than for short ones, and therefore it has been a universal practice to differentiate for distance. Again, there is differentiation for quantity: as a rule, it will be found that railways will carry, say, five tons, at a cheaper rate than one hundredweight, and five hundred tons cheaper than five tons. Again, there is differentiation in opposite directions: in some countries rates are cheaper in one direction than in another. I do not pretend to explain why, but that is another form of differentiation. Another form is differentiation by groups: in some instances there has been tried the plan of grouping lines, and having a standard scale, and charging so much per cent. above on one group, and so much below on another, according to circumstances. Then there is differentiation in the same direction—that is to say, that they charge a lower rate for a longer distance than they do for the shorter. I believe these forms comprise almost every kind of differential rating that is allowed on railways. There is one other, which is not legitimate—that is, personal rating, or "undue preference," as it is generally termed. This personal rating should not be mixed up with differential rating, because it has long been regarded in England, at any rate, as illegal. In 1854 Cardwell's Act prohibited the practice, and it has entirely died out; and, if the Committee think proper to refer to a report of the English Parliamentary Committee for 1881, they will see that, although a great number of witnesses were examined, it is stated that there was not one complaint of undue preference. Now, I would ask Mr. Vaile to which of these forms of differential rating does he object—is it classification?—No; I have already distinctly stated that I do not object to classification.

105. Then, differentiation for distance. For instance, in America they carry goods eight hundred or a thousand miles: would you make any difference per mile for goods carried these long distances?—Yes. I object to it on the mile.

106. It matters very little whether you measure by the stage or mile?—I object to an even charge, whether you call it miles or stages.

107. You object to differential rating by mileage, and not by stages?—I object where the fares are reckoned at an even rate any way.

108. Then, differentiation for quantity: do you object to that?—I do, except to this extent: I think the man who has only a small lot to move should only be charged such an extra amount as will pay for the extra cost of handling. I argue that the railways are our railways, and are totally different from railways of companies who work them simply for the purpose of making money—that the small men are equally shareholders with the large men, and that it is most important to encourage the small men from a national point of view.

109. You admit it to a limited extent, then?—Yes, to the extent, I have mentioned.

110. Do you object to differential rating by grouping—that is, charging on certain groups of lines higher rates than on other groups?—Yes, totally, on national railways.

111. The next is charging for the same distance more in one direction than in another?—Yes, I object to that too.

112. But have you not made a proposal to do that?—No, I think not.