

1890.
NEW ZEALAND.

RAILWAY REFORM LEAGUE'S PROPOSAL

(FURTHER CORRESPONDENCE RELATIVE TO).

[In continuation of Parliamentary Paper D.-2, 1890.]

Laid on the Table by the Hon. T. Fergus, with the Leave of the House.

The RAILWAY COMMISSIONERS to the Hon. the MINISTER for PUBLIC WORKS, *in re* Petition for the Introduction of the Stage-system on the New Zealand Government Railways.

SIR,—

Wellington, 12th September, 1890.

With reference to this petition, which has been referred to the Railway Commissioners for consideration, we have the honour to inform you that the subject shall receive our early attention. In the meantime we think it desirable to point out that some erroneous views are held about the system.

In discussing the subject, it was stated of Mr. Vaile's system that it had been tried in Europe (see *Hansard*, page 17, vol. lxi.: Mr. Monk). This is not the case. No such system has been tried anywhere. The zone-system has been introduced in Hungary and Austria. It is stated, in reports on the system, that "The Hungarian State railways regarded as the principal object of their reform to draw as many people as possible to the capital in the first place, and to the larger towns."

This object is quite opposed to Mr. Vaile's views.

Mr. Vaile wrote to the *New Zealand Herald* on the 15th August, 1889, stating that his stage-system was different to the zone-system; and in May last he wrote giving his opinion that the Hungarian and Austrian systems are faulty and defective, and that but very small financial improvement can be expected from them.

Those persons, therefore, who are supporting Mr. Vaile's stage-system, under the impression that it is the same as the European zone-system, labour under a very material error.

The zone-system itself does not confer any special advantage, while it has serious disadvantages. Its introduction in Europe has been accompanied with great reductions in fares, and it is this reduction which has attracted public attention and not the ticket-system.

Mr. Vaile's proposed stage-systems would introduce great inconsistencies in charges, and there would be no benefit to the public in the stage-system unless a great reduction in fares accompanied it.

The following is a comparison of the cost of return-journey fares for 50-mile distances under different systems:—

Hungarian zone, ordinary	...	1st class, 10s. 5d.	...	3rd class, 5s. 2d.
" " express	...	" 12s. 6d.	...	" 6s. 3d.
Austrian zone, ordinary	...	" 10s. 0d.	...	" 3s. 4d.
" " express	...	" 15s. 0d.	...	" 5s. 0d.
New Zealand railways	...	" 13s. 11d.	...	2nd class, 9s. 4d.
* Vaile's proposed stage-system {	"	1s. 0d.	...	" 0s. 8d.
	"	5s. 0d.	...	" 3s. 4d.

In a country like Hungary, with about seventeen millions of people on about the same area as New Zealand, and where the working-classes do not earn probably more than a third or fourth of what is done in New Zealand, and where the expenses of working are therefore much lower, the conditions are so essentially different that fares which it may pay to have there would result in heavy losses here. But even with such a dense population and low wages, neither the Hungarians nor Austrians have attempted such low fares as Mr. Vaile has proposed.

If lower fares are necessary on the New Zealand railways they can be conveniently adopted without introducing either the stage-system or the zone-system, but in our opinion further reductions in fares will lead to a corresponding loss of revenue without materially adding to the traffic.

We beg to draw your attention to the correspondence in Parliamentary Paper D.-2, 1890, in which we have endeavoured to obtain additional information about Vaile's system from the Auckland Railway Reform League. We shall make it our business to obtain all information possible from the petitioners before dealing further with this subject.

We have, &c.,

JAMES MCKERROW,

J. P. MAXWELL,

W. M. HANNAY,

Railway Commissioners.

* The fares differ in different localities under Mr. Vaile's system.

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