

I have only to add that I have never asked anything for myself in this matter, nor am I doing so now. My only wish is to render the Government and the country a service. I very much fear that we have times before us that will need the united effort of the best men of all parties to deal with. If we could find a really sound plan of working our railways it would go a long way towards staving off depression.

Hon. J. G. Ward, Minister for Railways, Wellington.

I remain, &c.,

SAMUEL VAILE.

P.S.—The papers state that during the last ten years the population of Buda Pesth has risen from 506,000 to 729,383—nearly 50 per cent. in ten years. This confirms what I have said above. Surely this is not a good result. It must ultimately tend to a decrease in railway revenue, in addition to its other evils.—S. V.

No. 18.

Hon. J. G. WARD, Wellington, to Mr. VAILE, Auckland.

SIR,—

9th April, 1901.

I am in receipt of your letter of the 18th ultimo, for which I am obliged. I have taken a note of your views in regard to railway rating, and in reply have to inform you that it is my intention to adopt from time to time uniform rates throughout the colony so far as local conditions will permit. I am not in favour of bolstering up any place at the expense of another, but am strongly in favour of settling a large and industrial population upon our country lands, and of giving the people as much room as possible upon which to live under healthy conditions.

I have, &c.,

S. Vaile, Esq., "The Avenue," Auckland.

J. G. WARD, Minister for Railways.

No. 19.

(Circular.)

DEAR SIR,—

"The Avenue," Auckland, April, 1900.

Permit me to solicit your careful attention to the following statement, showing what would be the financial result of applying the stage system to the New Zealand railways if we obtained only the same percentage of success that they have obtained in Hungary; that is to say, if we extend the distance people travel 83 per cent., and carry four passengers where now we carry one.

My own opinion is that we should do much better than this, for I am certain that the New Zealand stage system is far more likely to encourage long-distance travelling, to increase the number of passengers, is a much better financial system than the Hungarian adaptation of it: and our people are naturally much better travellers than the Hungarians are. However, if we only do as well in proportion to our population, this would follow: Calculated on the basis of the returns for the year 1898–99, the finance would work out as follows, that is if the average fare paid by each passenger, *which must depend on the distance they travel*, should prove to be, as I expect, 1s. 8d.:—

Actual Revenue under Old System in 1898–99.			New System.		
	£			£	
"Ordinary" passengers (the average fare actually paid during this year was 1s. 9d.)	...	438,367	Four passengers instead of one...	1,651,848	
All other items	...	1,031,298	All other items	...	1,031,298
			Add 10 per cent. for increase in goods traffic	...	103,129
Gross revenue	...	£1,469,665	Gross revenue	...	£2,786,275
Working-expenses last year	...	...		£	929,737
Add 25 per cent. for increased traffic	...	...		...	232,434
					1,162,171
Net revenue	...	...		...	£1,624,104
This would enable us to do this:—					
Carry passengers at the rate I propose, say an average of one-fifth of the present charge.					
Reduce every item of goods traffic to one-half the present charge, say a reduction amounting to					
	...	...		£	441,038
Pay same rate of interest as in 1899	...	...		...	539,928
Leaving for railway construction or other purposes	...	...		...	643,138
					£1,624,104

If, however, we calculate on the low and certainly safe basis of 1s. 3d. only (the Railway Accountant has proved that without any extension in distance it would be 1s.) we still have this result:—

	£
Ordinary passenger revenue	1,238,896
Other items as above	1,031,298
Add 10 per cent. as before	103,129
Gross revenue	2,373,323
Less expenses as above	1,162,171
Net revenue	£1,211,152