D.—7.

"Seeing, therefore, there was a very large body of expert opinion, and of those who were recently responsible for the working of the railways, in favour of this system; that the possible loss would certainly not be very great; and that a large section of the population—in fact, the inhabitants of the whole Provincial District of Auckland—had set their hearts on having a trial of the system, he trusted the Minister would seriously consider whether the time had not arrived when the question should be put at rest for ever, by having it definitely determined by a full, fair, and adequate test whether the system would fulfil what was claimed for it by its inventor, Mr. Samuel Vaile.

"Mr. Ward (Minister for Railways) said the honourable gentleman had given them what he believed to be strong recommendations in favour of the adoption of the Vaile system, and in the course of those remarks he had referred to the fact that the late Minister for Railways, Mr. Cadman, was favourable to the system. He read from a report of that gentleman's views as expressed in 1890, and he would like to point out to the member for Auckland City that Mr. Cadman was Minister for Railways after that date—from 1893 or 1894, for five or six years—and during the whole of that time he had the opportunity of putting into practice the views the honourable member said he had expressed in 1890. They could depend upon it, that with a progressive man at the head of the railway administration, such as the Hon. Mr. Cadman, he must have had very sound reasons indeed for not carrying out the views the honourable gentleman had stated he entertained of the Vaile system, or of not giving the opportunity for a trial of the system during the time he had controlled the railways of the colony. Of course, it was all very well to give them the reference to Hungary, but his impression was that the zone system in Austria and Hungary was found, after one or two years' trial, not to be nearly so good or so perfect as had been predicted by its advocates. His impression was that it brought about a heavy loss, and necessitated either a change in rates or some modification of the system. If the information he had was correct, it would appear that where the zone system had been tried it had not, on the whole, proved to be so wonderfully successful as its promoters contemplated. He wished to point out to the honourable gentleman the responsibility that devolved upon the Minister for Railways of this colony when he was asked to give effect to such a proposal as this. For instance, it was not by any means equitable that for twelve months any section of the railways of this colony should be treated differently from all others—that was, that the people in any district in this colony should have exceptionally low rates given to them, while the remainder of the colony was to be denied such concessions. They had to recognise that their railways were owned by the people, and it would be a very unfair thing indeed to select any provincial district, or any portion of the colony—whether it be Otago, Southland, Canterbury, Wellington, Wanganui, or Auckland—for preferential treatment. It appeared to him to be very undesirable for the colony, by way of experiment, to select any one of those districts in order to give a trial to a system which would give exceptionally low rates to the people in the district selected. It might turn out at the end of the twelve months that the experiment would not prove anything like as successful in its results as Mr. Vaile, who had so zealously advocated the system, anticipated. It might result in a heavy financial loss. He would like every member of the House, and all those outside who believed that this system was one that should be adopted by the colony, to recognise that the Government of the country, and the Minister for Railways especially, who was responsible for the administration of a great department of the State, was intrusted with a grave responsibility, and had necessarily to be cautious in dealing with the largest State asset of the people. They could not expect him to agree to the trial of anything in the shape of an experimental system which might involve a very heavy loss upon the colony. If the people in any district who thought this system was a better one than we now had were prepared to deposit the amount of loss estimated by the department, unconditionally, excepting for the purpose of meeting any loss that might be incurred for the trial of this system on one section of the railways for twelve months, he was quite prepared to give it a trial on that section-

"An Hon. MEMBER.—They made the offer once.

"Mr. WARD said he did not know anything about that. There may have been conditions that he would not agree to; but if they were prepared now to deposit the estimated loss to the department for a twelvemonths' trial, he was quite prepared to give the system a fair trial. But there must be no mistake about it. He repeated, that if the amount of loss estimated by the department were deposited and placed at the disposal of the Railway Department unconditionally, to be appropriated by the department at the end of the year for whatever the loss might be, and that the experiment was to be carried out under the control of his officers, he would be quite prepared to give the system a fair trial. The honourable member for Auckland City had given them a good deal of debatable matter in the course of his speech—as to the working of the railways for a period of twelve years. He could not agree with many of his arguments, nor could he accept the conclusions he arrived at as at all correct. He might say that for last year alone they had had an enormous increase of passenger traffic on the railways of the colony, close on half a million—he thought four hundred and eighty thousand—and the returns for the current year showed that there was an increase going on at the rate of over half a million; so that the present conditions were quite different from what they were in 1890 and in the years preceding. They had now the lowest passenger-fares of any of the Australian Colonies, and they compared more than favourably with the English railways. He wished to point out that there was therefore a very material difference between the conditions existing at the present time and those existing in 1890, or prior to that period, and if they were to have an innovation, such as was proposed, adopted, those who wanted to have it adopted should be prepared to put their hands into their pockets, or get their friends to put their hands into their pockets, and deposit money with the Treasury, in order to prevent the colony suffering should there be a loss incurred. The honourable gentleman had also referred to the fact that the revenue earned between the ten miles and twenty-five miles