

Should this result be obtained—and I say with confidence that it will—then we shall have no need to borrow for railway construction; we can do this out of revenue, and to a much greater extent than we can now.

This is the prospect held out by the new system, and I ask you, sirs, why it should not be tried. Whose opinion and judgment should be relied on in this important matter—mine, or the railway officials'? I can at any rate claim that time and the course of events have proved that all my main contentions are sound and right. I can also claim that, as regards certain operations on our own, and on railways in other countries, I have correctly foretold what the results would be long before the events took place. On the other hand, what have the officials done? Their predictions and statements have constantly been falsified, and I need not remind you of the unenviable position they have been placed in by the reading of my petition in Parliament last session.

That the stage system would confer enormous social benefits on the community has never been disputed. Finance has been the only question at issue. That may now be considered as disposed of. There is little doubt that a large majority of the citizens of New Zealand wish the stage system to be tried; probably a majority of the Parliament of the country wish the same thing; the officials alone block the way. Why should men in their position be allowed to do so?

There is another point in favour of the stage system, and that is that it can be worked so much more cheaply than the existing one. I estimate that we could do the present amount of work for two-thirds, and probably one-half, the present expenditure.

I say it is not unreasonable to expect the result mentioned. The chief officials say it will mean loss. I ask, What do they know about it? Have not events always belied their predictions? Have they not persistently resorted to every mean expedient, preferring even to lie under what is tantamount to a charge of perjury, in order to prevent the new system being tried? Can it be pretended that they have acted in the public interest?

Gentlemen, I ask you is it not deplorable to think that through the obstruction of these officials the benefits of a system invented in this country, and for this country, should go to our great rivals the Russians? Sirs, I appeal to you to exercise your power, to thrust these obstructionists aside, and to order an unconditional trial of the stage system.

The Hon. Mr. Ward is also reported to have said that "the existing rates would compare in cheapness to those of any country in the world, and were even less than on the English lines." I am aware that the department has several times made this statement, but there must be many gentlemen in Parliament who know that it is preposterously untrue. There are many countries where passengers are carried for less than  $\frac{1}{4}$ d. per mile, as compared with our 1d., and there is even a greater difference in goods rates.

Now, as regards the asked-for guarantee. In the first place, I say, there could not possibly be any loss in trying the new system, unless that loss was created wilfully. There was no loss either in Hungary or Siberia, but a very large profit right from the first. Why, then, should there be a loss here? There will be none. It suits the officials to say there will be a great loss; but, I ask, have they not thoroughly proved their incompetence to deal with this matter? Why, then, should we be guided by their statements?

But, assuming there should be a loss, why should I and my friends be called upon to pay it? Have I not done more than my share of expenditure and work? When the experiment is made, it will be for the benefit of the whole colony, not for the benefit of myself and friends, or for Auckland; therefore, the whole colony should take the risk, if there is any, which I deny.

As to the objection that Auckland would enjoy special advantages for a year, I reply: (1.) That the advantages would be so apparent during the first three months that the rest of the colony would at once demand its application to their lines. (2.) That if the officials had dealt with this question in a fair and impartial manner it would have been simultaneously placed on all our lines, before the Hungarians deprived us of the honour and advantage of the start. It is solely due to their grossly untruthful statements with reference to it that any doubt has arisen as to its success. (3.) That as matters stand now a commencement must be made somewhere on one section only. (4.) That the Auckland section is the only completely isolated section in the colony on which it could be tried. If it were tried on any other section it would derive certain advantages from those portions of the section worked under the old system. This would give its opponents an opportunity to say that the new system had been helped. (5.) That the Auckland section would give the severest test the stage system can be put to. There is no other section of sufficient extent in New Zealand that presents so many difficulties. My wish is to know the worst and have done with it. Therefore I ask for the Auckland section, and not for the purpose of conferring any particular benefit on this district.

In anything I have said about the railway officials, I wish it to be distinctly understood that I have only referred to those officers who have exerted themselves to block the path of reform. For our railway workers generally I have the greatest esteem. I know the difficulties and responsibilities they labour under, and, taking these into account, I consider many of them—as, for instance, the district traffic-managers and their immediate subordinates—are most miserably underpaid.

Perhaps, gentlemen, I may now be allowed to say a very few words as to my own part in this matter.

Years ago I saw the vast possibilities for good contained in railways, if only a system could be discovered of administering them on sound social and financial principles. To me, it appeared an absolute absurdity to suppose that a virtual monopoly of the inland carrying trade of a great country could only be made to give a miserable return of from 2 to 3 per cent., and that the result of their working should be to destroy the country towns and districts. As a businessman, I know that there must be something wrong in the system pursued. I set to work to find a remedy, and claim that the progress of events has proved that I have done so.