

3. You do not make that clear as to the result in Hungary?—If on this Auckland Section of railways you get an extension of the average distance travelled to twenty-five miles only that would give you an average fare of 1s. 3d., at the least; then, if you got four fares to the one you get now, you would get the increased revenue named—£186,504.

4. Did they get the four fares in Hungary?—Yes.

5. Then you calculate on the experience of Hungary?—I was giving you two or three calculations. Assuming we get similar results under the system to those obtained in Hungary—I do not mean as regards the distance travelled, but as regards simply the number carried—assuming our distance is very much less than that travelled in Hungary, not one-third, you would still get from the Auckland lines £186,504 from ordinary passengers alone, and that would mean a gain from this one section of £125,688. Then, making the absurd assumption that we should only gain two fares for one carried now, we should still make a profit of £32,436 from ordinary passenger fares only. The question arises, if the whole experiment was an utter failure and there was no increase either in the distance travelled or the number carried, what would the loss be? Assuming Mr. Fife's figures to be correct, it would be £23,517. Of course, the assumption that the vast reductions made would lead to no increase in travelling is ridiculous past belief; but looking at it in the worst possible light the greatest loss that could occur would be £23,000; while possibly the gain would be £1,500,000 from the whole of our lines. There is another very important item that has to be borne in mind in connection with this system, and that is the enormous saving it would make in the working-expenses. I remember that an article appeared in the newspapers, written by a railway man, some years ago. He made out that the adoption of this system would save an enormous sum of money. I may point out this: I have always calculated and asserted that we could do three times the work on our railways that we do now, and not increase the expenditure to any appreciable effect, because in working the railways on this system we can get such a very much larger profit on the work done on the distant portions of the lines. There certainly would be, in managing a traffic like that, an increase in the number of porters and men you would require, but there would be an enormous decrease, on the other hand, in the office and departmental work, the more expensive portion of the labour employed. For instance, in keeping the accounts, in printing and issuing the tickets, and in printing the passenger time-tables, goods traffic, &c., altogether the saving would be something enormous. I remember in 1894—I took a note of it at the time—the gentleman I referred to as publishing an article on this system said: "If the present system of issuing tickets had been fully carried out, it would have necessitated the printing of forty-seven thousand different kinds of tickets, but as a matter of fact he believed six thousand were made to do duty for the whole." Under this stage system you would only require four varieties of tickets, and these would serve for the whole of the lines. All that we require is a first-class and a second-class ticket for any of these stages under my system. Supposing a man were living in a district immediately preceding a stage station, and he wanted to pass to the district next beyond the stage station, it would be somewhat unfair to charge him a double journey for such a short distance. It would be an objection raised to the scheme, and I therefore propose for these stations to issue a ticket of another colour, which would enable the man living within a stage immediately preceding a stage station to pass into the stage immediately past the stage station, or *vice versa*, for the ordinary fare of 4d. or 6d. Well, that would necessitate a first- and second-class ticket only, and consequently, throughout the whole of New Zealand, you would have but four tickets for conducting your passenger traffic. Now, I say, the saving in the cost of printing and issuing these tickets, and one thing and another, would be something enormous. Of course, the goods tariff and all the rest of it being dealt with in the same fashion, there would be an immense amount of saving in printing and in the working of the railways. As regards parcels and small lots, I propose simply to stamp them the same way as you do in the Post-office—put a stamp on them and away they go. When I last took out the different goods rates chargeable on the Auckland lines, there were no less three hundred thousand, and that return was taken out some years ago. Under the new system there would be only about two thousand. So that there is an enormous simplification there. Then, as regards season tickets and parcels rates, I would deal with those in the same fashion. There is another great convenience I would call your attention to in working on this system, and I often find it out in travelling myself. I take the first-class ticket because I frequently want to change from one class to the other; I meet people I know and want to do business with, and I want to get out of one class into another. In taking a second-class ticket I cannot do that, but I take a first-class ticket in order that I may have the privilege. Under my system, if I pay for a first-class ticket for the first stage in going from Auckland to Frankton, say, and find when I get to the next station that there is a man in a second-class carriage that I want to see, all I would have to do is to go into the second-class carriage and pay 4d.; so I can change from class to class as it may suit my convenience, without being penalised for so doing. Then, another enormous advantage this system would have—and an advantage which I should expect to make a very great deal of money by—would be the way it would enable labour to move up and down the lines. If a man up at any of these out-stations—say, at Morrinsville or at Cambridge—wanted labour, all he has got to do is to wire to a labour agent in Auckland, and the men could afford to go at my prices, but they could not afford to go at the present prices.

*Sir J. G. Ward:* They go for nothing at the present time.

*Mr. Vaile:* Under my system you would get labour moving over the lines by hundreds where you get one workman now. I say such a system as that must develop a large internal trade, and it strikes me more and more that we shall have to depend to a greater extent upon our internal trade.

6. *The Chairman.*] What do you mean in referring to "our internal trade"?—Trade that deals strictly with our own country. If we get involved in an European war, what have we got