

to rely upon? Our export trade would be gone, and I think we should develop our internal trade. I say, by means of this system, you could introduce a large body of settlers into the King-country and on to the lands on the Midland Railway. If you get the people introduced into these places you make work for your railways, and it is a thing that will have to come. Now, gentlemen, all that I ask in relation to this matter, so far as I am myself concerned, is that I may be associated with it in some way. And what I ask is this: that, if a trial of the system can be arranged, it be applied to ordinary passengers, in the first place, on the Auckland Section of railways, for the reason I have stated, and if it is successful there it must be successful elsewhere. Then, gentlemen, I would suggest very respectfully that what would be the right thing to do is this: If it were tried as regards ordinary passengers in Auckland, and succeeded, then I would apply it to the Invercargill Section of railways, as being the next most difficult line, and apply it similarly as regards ordinary passengers only, and if it is successful on these two sections we would know for a positive certainty that it must be very much more successful on the other sections, and I would then apply it to ordinary passenger fares on these other sections. Having applied it to ordinary passenger fares in that manner, and thus doing equal justice to the whole of the sections throughout the colony, I would then next apply it in the same order to the other items of coaching, and see how that works out, and then I would apply it last of all to the goods traffic; and if we apply it in the order I have mentioned I cannot see that there is any portion of the colony that would have any cause to say that any one district got any advantage over the other. You must begin somewhere, and I think I give a good and sufficient reason why it should be tried on the Auckland section first—on account of its great difficulty, as outside the suburban area it connects with only one town of four thousand inhabitants and one town of 1,246 inhabitants. If successful on this section it must be trebly successful on the other sections. In asking for that I certainly do not ask for it in my own personal interest. Gentlemen, I think it is hardly necessary for me to detain you with any further remarks. I hope a good deal that I have not said on the matter will be elicited from me in the form of questions and answers. I would like to draw your attention to this, however: Perhaps I might be permitted to say a little about my own personal position in the matter. It is nineteen years since I brought this thing prominently before the public, and I look back on those nineteen years with very mixed feelings of one kind and another. Gentlemen, there is one thing that is impressed very strongly on my mind, and that is this: From New Zealand has gone forth this idea. It has been seized hold of by the Hungarians, the Austrians, Bohemians, the Russians, the Danes, the Germans, and sundry other countries. They introduced it on their lines with this result: that they are successfully competing with us in things that they could not have competed with us for—the London and other great markets—but for this New Zealand idea, while so far our own people have been excluded from participating in its benefits.

7. It is the cheap labour?—Cheap labour may have something to do with it, but it has nothing to do with this fact: Last year the Russians sold over two million pounds' worth of Siberian butter in the London market, and expect this year to sell over four million pounds' worth. And they are putting on ships to take over frozen meat and other farm produce to the London market, and I ask could the Russians have placed a pound of butter or a carcase of mutton in London but for the stage system? It may be said we have not the population to do this thing; but bear in mind that the area of Siberia is 5,000,000 square miles, and when they put the stage system in force there there were less than four millions and a half inhabitants. Now that, I think, is a complete reply to the statement that we have not got the population. I say the Russians could never have put their produce on the London market if it had not been for the stage system.

8. And slave labour?—It seems to me to be a humiliating position that we should be beaten in our own markets by our own inventions. It seems to me to be a very hard position that; but, however, there it is. If they have the advantage of us in cheaper labour, the greater the reason why we should secure the advantage of cheap and efficient transit. Well, gentlemen, I will put in these printed papers, showing what has been done in Hungary and Russia.

Hungary.

Year.		Passengers carried.	Receipts in Austrian Florins.
1888.	Last year of the old system	9,056,500	14,112,000
1889.	Seven months of old and five months of new system	13,054,600	15,021,500
1890.	First whole year of new system	21,635,600	16,937,000
1891.	New system	25,781,400	18,591,800
1892.	"	28,623,700	19,684,900
1896.	"	34,806,800	24,293,243
1897.	"	35,245,900	26,951,677

It will be seen that the effect of adopting the stage system, even in this faulty form, has been to quadruple the traffic, and double the revenue. One of the most important results obtained in Hungary is the great extension in the average distance travelled by each passenger, which is from 71 to 130 kilometres, or over 83 per cent.

Russia.

As I understand it, what has been done in Russia is this: On the 1st December, 1894, the Government of that country applied the zone system to their railways for all distances exceeding 200 miles. For all shorter distances from their large centres the old system was retained. The passenger revenue of the Russian lines for the previous year had been £8,061,754, but the Russian railway "experts" calculated that the introduction of the new system would reduce the year's