

revenue to £6,167,552; it, however, wound up with £9,183,333, or £1,121,579 more than the previous year, and £3,015,781 more than the railway "experts" calculated on. I may mention that copies of my pamphlets were sent to the British Consul and Ambassador at St. Petersburg some years ago. I hope it will be noticed that all this vast increase of revenue has been produced solely from the most thinly populated districts of the vast Russian Empire. The same results took place in Hungary, where the largest increase also occurred in the most sparsely populated districts. These indisputable facts prove incontestably that I am right in my oft-repeated statement, that the stage system does not require a dense population, but, on the contrary, will give the best results in a thinly populated country. They fully dispose of the not-sufficient-population theory. Well, gentlemen, I have to thank you very much for the patient hearing you have given me. I feel, as I always do when speaking on this subject, that I have not acquitted myself as I should like to have done. It is rather too big a subject for any one man to deal with.

9. *Mr. Napier.*] You have said, Mr Vaile, that the system has been tried in Austria, Russia, and Germany, I think?—Yes.

10. In each of these countries has the result been that not less than four passengers have been carried under the stage system for one under the mile system?—I can give you the figures for the first years in Russia. Since then I have failed to get any information. Here it is on page 39 of my pamphlet on "Social Problems," and on page 22 you will find the figures referring to Hungary.

11. Your answer is that the figures are given on pages 22 and 39 of your work on "Social Problems"?—Yes; that is, so far as Hungary and Russia are concerned.

12. Can you tell what has been the result, as far as the movement of the population in New Zealand is concerned, and what the reductions made in railway-fares in New Zealand during the last fifteen years have been? Speaking roughly, what has been the general result of the reductions in fares? Has it increased the travelling or not?—Oh, yes.

13. To what extent?—To this extent: Speaking from memory, when I commenced we shifted the entire population five times in the year. I find, taking the last return, we shifted the population seven times. It is an increase from five to seven.

14. Within fifteen years that is a successful reduction?—It is much less than fifteen years. It is only within the last four or five years that there have been any real reductions made.

15. Then, you say that within the last five years the reductions that have been made in railway passenger-fares have caused this result: that the population of New Zealand has moved one and a half times instead of one?—It has moved seven instead of five times.

16. That is, equal to 50 per cent. nearly?—Well, nearly.

17. Then, Mr. Fife's figures which you have exhibited show the population moving five times?—Yes.

18. Well, then, you have got the reductions already made causing an increase of nearly 50 per cent., according to Mr. Fife's results: is that so?—Yes.

19. Then, if you succeeded in moving the population ten times instead of five, would you get the same result, as far as the revenue is concerned, that was obtained under the mileage system when Mr. Fife prepared his figures?—Assuming the fare to be the same.

20. Assuming you got no increase in the average distance: if the population were moved ten times instead of five times, would the same revenue be received?—Yes; it would be more, because the population, of course, has increased since then.

21. *Hon. J. G. Ward.*] In connection with this transport of the extra number of passengers that you calculate would be carried by the adoption of this system, have you been able to work out by comparative results what has taken place elsewhere—what the increased expenditure would be to enable the passengers to be carried?—So far as Hungary is concerned, the report for the first four or five years shows scarcely any increase. Some years it did not increase at all.

22. I suppose you know that we have been giving reductions, in passenger-fares particularly, for some time past, and our experience is that it does increase our expenditure very heavily?—I think it would increase your expenditure almost as much as it would do to quadruple your traffic. It is one of those things in which the circumstances of countries vary, and it is one of those things which can only be proved by trial.

23. In your statement you made no allusion to the increased expenditure, which is a very important point?—I think I overlooked that, then. What I meant to say, and should have drawn attention to, is that I consider the decreased cost of working this system would more than compensate for the extra cost of working the trains. I think it would more than compensate for the extra work of running the necessary trains. The increased cost of carrying passengers, I take it, is mainly a matter of train services, is it not, Mr. Ronayne?

*Mr. Ronayne:* Extra train services would be required, no doubt.

24. *The Chairman.*] Referring to the cost of dealing with tickets, Mr. Vaile, you said this system would save an enormous amount of money in this respect?—Yes.

25. *Hon. J. G. Ward.*] You said more porters would be required, but that there would be a decrease in the clerical department?—Yes; an enormous decrease, and in accounting also.

26. What I want to try and find out from Mr. Vaile is whether he has been able to make a calculation upon the figures he has been placing before us, giving the proportionate increase of expenditure that would be involved by the great change he has suggested?—Until tried, it is only a matter of opinion, and I based my calculation very much on Mr. Hannay's evidence. He said distinctly that on the Hurunui-Bluff Section they only averaged seven passengers in a carriage. Now, you know most of the carriages are capable of carrying forty passengers—

27. We are averaging a great deal more than that under existing conditions?—That was the only real figure I had to work on, and his evidence was very distinct on that point. I can give you what he said on the matter.

*Hon. J. G. Ward:* I do not wish to ask Mr. Vaile any further questions on behalf of the Railway Department. For this reason: I know fairly well the system Mr. Vaile advocates, and I