

52. Was it not a period of very great retrenchment throughout the whole colony?—I am sure I do not know. I do not see how that will affect the question.

53. Do you not think it will affect the question in this way: that if the settlers had not money they could not travel?—The only object of this table was to show the finance—what would be the average fare taken. It did not matter for that whether there were few or many taken. I had said the average would be 1s., and Mr. Maxwell said it would be 4½d., and the question was, Who was right? And the table was produced to show that; and it proves that I was right.

54. Did the Committee understand you to say that the result of the reduction in fares had largely increased the travelling?—Yes.

55. Do you not think the period of prosperity we are enjoying has a great deal to do with that?—If you have not got the money you cannot travel—as well as you cannot do many other things without it.

56. Do you want the Committee to understand that the country settler is going to travel if he has not business to make him do so?—I say we are going to make the business for him. But we are not depending upon the country settlers; what we want to do is to get the great mass of people in the large cities to travel.

57. Do not the Government carry them on workmen's tickets for short distances much cheaper than you are going to do? Have you never said on a public platform that you were opposed to season tickets?—No; I have always said that I believed season tickets to be a good institution, and that they ought to be encouraged.

58. Do you know that the trains from Ellerslie to Auckland are crowded to excess every morning?—That may be so.

59. Do you know that they travel cheaper than under your published system?—No. What you are doing is comparing ordinary fares with season-ticket fares. I do not do that.

60. Do you not know there are such things as workmen's weekly and monthly tickets: they are not season tickets, are they?—Yes, they are. Mr. Ronayne will correct me if I am wrong.

*Mr. Ronayne:* We account for them as season tickets.

61. *Mr. Lawry.*] Do you wish the Committee to understand that if you had an opportunity to carry your system out you would largely settle the King-country?—Yes.

62. Will you tell the Committee how you arrive at that conclusion?—The settlers could bring their produce from there with a profit. They cannot do it now under the present system.

63. Do you know that you can get potatoes, for instance, into Auckland from forty miles up the line cheaper than you can get them from Paparangi?—That is quite likely.

64. Do you not know that it is the low price of produce, and not the price of transit, that prevents produce from paying?—In addition to your low price of produce, if you have to pay a high price of transit, of course you increase the difficulty. The system of railway can actually assist the producers.

65. Do you think that it would be fair to people in the South to give you absolute control of the railways in the North, and that is what we understand you are asking for?—I have never asked for that. I simply asked to be associated with this experiment in any way that may be acceptable to the Minister—in a way that I can have a general supervision over it to point out the errors, if there are errors being made, and to generally assist in the most cordial manner that I possibly can. And the reason why this request was made was owing to the very hostile spirit in which I was met by the gentlemen who then had control of the railways. But these gentlemen are now out of it, and I say there is no reason why I cannot work with the gentlemen who now control our railways in the most cordial spirit. I have never asked for anything but to serve the public to the best of my ability.

66. *Mr. Massey.*] In connection with season tickets, you propose, then, to make a proportionate reduction in connection with your system?—Yes; I would rearrange the season ticket altogether, and I think it might be very much improved and simplified. I had to deal with this railway question, and gentlemen who know anything of it will know that it is about the most abstruse and probably the largest question in the whole world. I believe that it is even greater than the land question—the transit question—for the simple reason that the land without the transit is absolutely valueless; you must have the transit before you can make the land worth anything at all; and therefore I have felt the vast importance, when dealing with the transit question, of dealing with it in a way the public could understand. And I felt that, in order to do this, I must keep the public mind concentrated on the principal idea, and therefore I would not allow myself to be drawn off it by disputations on goods rates, which Mr. Maxwell and Mr. Hannay tried to drag me into. I said, "Let me stick to the principal idea." In dealing with the public it was necessary to keep their minds fixed on the principal idea, and therefore I stuck to this, and this alone, and that is why I would never allow myself to be drawn into the goods traffic or the other items of coaching. The other countries that have adopted my system have applied it first to passengers. The whole idea went from New Zealand to the Continent, and I think it is an awful pity for this country that it did so. If we had taken the lead what an enormous amount of advertisement the colony would have got through it. It was our invention, and we ought to have adopted it. They got it, and we shall now be told that we are adopting the Hungarian system.

67. Would you mind telling us briefly what are the principal points of difference between your system and the Hungarian system?—I have no information as to how the Hungarians deal with goods traffic.

68. I am speaking of passengers?—The great difference between this system and the Hungarian system is this: The Hungarians have two systems of charges. They have what we call "local" but they "near" traffic. However, what they mean is for the first four zones—they call