

them half-zones. The charges are for any distance between these zones; but if you wanted to go from, say, Auckland to Frankton, which is eighty-five miles, you would have to take what they would call a distance ticket for that. The tickets are printed in long slips. Here are three local-traffic tickets. Then, they have a longer ticket, and these different zones are marked on it; and say you wanted to get to Frankton, and there are many zones on beyond Frankton, they draw a pencil across that ticket on the name Frankton, and down to the starting-point, and that ticket will only carry you to the point, and you cannot make use of it for any other place. But on my system the travellers are free to travel anywhere, and get in and out as they like, and I am satisfied the more you suit the convenience of the public the better financial result you will be sure to get. What they found in journeys of long distances is this: A man takes a ticket to, say, Frankton; then another man takes a ticket for local traffic, and changes with this man. The two systems overlap each other, and the department has lost very heavily by that. They (the travellers) have got two journeys out of one ticket. They could not do that by my system. I am told the Hungarians have lost very heavily through having these two systems. Those are the features of difference between this system of mine and the Hungarian passenger traffic. But the real difference between the stage system and every other system consists in the fact that it is the only system in the whole world that proposes to levy charges on the various districts in proportion to their ability to bear the strain.

69. What are the fares compared with what you propose?—The fares in some instances would be higher, and for the long distances they are very much lower. For instance, they carry you in Hungary—and have done so for the last ten years—a mile longer than the whole length of the Hurunui-Bluff line, 457 miles, for 3s. 4d. My fare for that would be 12s. 8d.

70. By taking the average per mile?—I have never tried that. They reduced them the same as I proposed. When I first studied this question I came to the conclusion that you could get no real increase of travelling unless you took the charges on an average down to a fifth of the then price. I tried it at a half, I tried it at a quarter, and I came to the conclusion that it would not induce sufficient travelling; and I set myself this task: to make such a reduction as would insure two persons travelling where one travels now, and that the average fare paid would reach 1s. I was then working under the impression that the average fare was 1s. 11½d.; now it is only 1s. 7d.

71. That is the average at present?—Yes; 1s. 7½d. I believe that figure is correct. I only worked it out once.

72. With regard to your average distance, what do you expect it to be?—I would expect the average distance, if we only secured the same increase that they secured in Hungary, to extend from thirteen to twenty-five miles. Now, I would expect my system to extend it to a great deal more than twenty-five miles. But if only twenty-five miles it would take you from, say, Auckland into the Pukekohe stages—that is this stage between Drury and Pukekohe. Well, that would give me an average fare, assuming there were equal numbers of each class, of 1s. 8d.

73. Then, you expect your average distance to be twenty-five miles?—I expect it to be more.

74. What do you say your average fare would be?—If twenty-five miles, the average fare would be 1s. 8d.

75. You say that your average distance is twenty-five miles and your average fare 1s. 8d.: that would be no great reduction compared with the present rate?—You are only thinking of the second-class single fares as applies here.

76. I want to give you the opportunity of explaining it. I am taking your average distance and your average fare?—You know I have always contended—although I did not dare say so—that they (the travellers) could be carried at far lower fares than I proposed. You could make the first-class fare at 4d. and the second-class fare at 2d., and you could do quite well at that price. I was very much in the same position as George Stevenson—I did not dare say what I knew and believed, because I knew it would only excite ridicule, and I had to keep myself to a very moderate statement, and so took the lowest initial fare at that time. The lowest fare charged in 1882 was 4d., and I started with the initial fare. I knew it could be done for less, but did not think it was wise to say so. The second-class fare to Pukekohe is 2s. 8d. now, and under my system it would average 1s. 4d., which is just one-half the money.

77. Coming to the present average fare, it is 1s. 7d., is it not?—Yes.

78. Now, what increase of travellers would you require to make the railways pay equal to what they pay at present under your system?—About three-quarters of a passenger more than they get now.

79. You would not require it to be doubled?—If they doubled them on the Auckland Section they would get a profit of over £32,000.

80. You told us about the increase of passengers in Siberia: would you mind telling us where you got your figures from?—If my memory serves me right, I got them from the *Engineer*.

81. *Mr. J. W. Thomson.*] All your references have been to the Auckland Section of railways. Might I ask you a question or two as to what the fares would be on lines I am connected with myself—for instance, there is the Green Island line, near Dunedin, which is five miles in length: what, according to your theory, would be the fare on that stage?—I expect for five miles it would probably be 4d. or 6d.—that is, assuming you retained the first stages as they are now. It is possible that if you wanted to use the railways for this short-distance traffic you would have to charge by half-stages for the first seven or fourteen miles.

82. There is a good deal of passenger traffic on this section?—From Dunedin to Green Island, if we did not charge the stage fare, 4d. to 6d., we would have to cut it into two, and it would be 2d. or 3d., that is what we would have to do.

83. There is another section of a good deal of importance, and that is from Dunedin to Mosgiel, ten miles: what would the fare there be—I mean the second-class fare, the lowest fare?—This plan of mine is as I laid it down was laid down in 1885; since then the movement of popu-