

establishment of the railway service. The enormous indirect value of our railways is not appreciated to its full. I have been at some pains to ascertain what was the cost by road and by rail of the conveyance of passengers and goods at two different periods—viz., 1875 and 1897. The information I have obtained shows that the rates now ruling for road carriage in those portions of the colony not yet served by railway vary but little from the rates ruling for road conveyance in the early days of the colony, and they are still from twice to three times as high as the existing railway rates for similar distances.

In 1875 passenger rates were, for sixty-six miles, by road, £1; by rail for the same distance and between the same points they are now only 5s. 7d. The road rates in this case were thus 258 per cent. greater than by rail. If similar road rates were now charged on railways the charges to passengers for using our railways would be £1,602,229. Goods were charged £5 2s. 6d. per ton, against £1 10s. 1d. per ton respectively, or 241 per cent. more by road than by rail, and goods would cost for their carriage £2,676,485.

The total cost for conveying passengers and goods being £4,278,714, from which deduct £1,250,000 for railway expenses, we obtain a balance of £3,028,714. This amount capitalised at 3 per cent. produces £100,957,133, which are huge figures.

In 1897 the passenger rates were, for thirty-four miles, by road, 12s. 6d.; by rail between the same points they are now 2s. 11d., or 329 per cent. greater by road than by rail. If similar road rates were now charged on railways it would cost passengers £2,043,152 for the same distance. Goods were charged £2 5s. per ton, against 17s. 9d. per ton by rail, or 154 per cent. more by road than by rail; and under the same circumstances the cost of conveying goods would be £1,710,285. Continuing these results, and setting down the gross cost for carrying passengers and goods, as above, at £3,753,437, from which again deduct present railway expenses, £1,250,000, we obtain a balance in favour of the users of our railways of £2,503,437, which, capitalised at 3 per cent., gives £83,447,900.

I have shown only for the purposes of comparison what capitalisation on a 3-per-cent. basis of the saving of both periods, 1875 and 1897, would be to the users of our railways.

Our products are now being carried at far less than one-third the cost of land carriage by road-wagon, and our passengers at from one-quarter to one-sixth of the coaching-fares, and with vastly better accommodation, to say nothing of the saving of time and increase of comfort. The value to the country of its railways to-day is more than sufficient to cover our national debt. With regard to those who would starve the open railways, and who allege that all additions to open lines should be paid for from revenue: are these critics aware that for the fourteen years ending 1900 the railways of the United Kingdom increased their capital account by £348,000,000, and their mileage by 2,523 miles only, so that at least £300,000,000 was spent on improvements and additions to existing lines, charged to capital account during the fourteen years, or more than 25 per cent. of the total capital? Thus, during some fourteen years at the same rate, New Zealand, to compare, would have spent over £4,000,000 of capital on improvements and additions. As the business of the colony increases, capital must be found to provide and work the railways so as to stand the strain of congestion. Working-expenses cannot, and should not, do so. The Railway Statement, already placed before honourable members, contains many interesting details. I desire merely to direct attention here to the growth of traffic in a few items only.

Taking the years 1895 to 1902, I find that the passenger traffic has increased by 3,450,558; sheep by 1,204,939; goods by 1,480,786 tons; and the revenue from £1,150,851 to £1,874,586, an increase of £723,735. The expenditure for the same period has increased £520,077. The number of employees has increased from 4,957 to 8,313. The increase of traffic during the eight years represented by the figures quoted above is quite unprecedented in the history of our railways,