

of the present railway policy, to so confuse the rating that no one shall be able to understand it, and thus enable the controllers to extract from the users "*all that the traffic will bear.*"

Under the Stage System my proposal is to have only five classes of goods, and four rates for parcels, and to fix these in such a manner that they will not require altering, except to reduce the charges per stage, and any alteration made would apply to the whole colony, and be made by Parliament in the same manner as an alteration in postal rates.

One of the greatest evils of the present "no-system" is the effect it has in depopulating all country towns and villages. As soon as a railway touches one of these, it begins to shrink and dwindle. This should not be; railways, if properly administered, would help these towns. The reason they suffer is because the charges are made by the mile, and differential rates are always given in favour of the large centres.

Take our Auckland section as an example. Frankton is a junction town situated eighty-five miles from Auckland, which may be said to be the only market town on the section. The charge being made by the mile, it will be seen there are practically eighty-five toll bars which have to be passed, and for which tolls have to be paid between Auckland and Frankton. When this position is once understood, it will be seen how utterly impossible it is for a producer at Frankton, whose market is Auckland to compete with one who is only ten miles out, for his transit charge eats so much more largely into his profits. Say the charge is twopence per ton per mile, the one pays ten twopences while the other pays eighty-five. It is easy to see how naturally, and often without knowing why, people crowd down on the centres, for the same principle rules, whether it is wares, or labour they have to dispose of.

There is also, perhaps, even a greater disadvantage, and that is the impossibility of any considerable *local market* being developed in country towns. What inducement is there for people to settle in them? Under the Stage System all this would speedily be

altered. A manufacturer, a producer of anything, a professional man, a mechanic, a labourer, stationed say at Frankton would have forty-nine railway stations, in other words forty-nine districts at command, to and from which the transit charge would be precisely the same in every case. The effect must be to make Frankton a receiving, distributing, and to a large extent a manufacturing centre, and when it had grown to a certain extent, it would have to bear a larger share of the burden of transit charges, and other poorer districts would secure the benefit. The same rule would also apply, to a greater or less extent, to every stage station. The least of them would command from six to eight districts, and thus country towns and villages must be formed and developed.

Another great object I had in view was to facilitate the movement of labour. That is to say, to enable those in want of employment to travel to any part of the country where labour might be in demand.

Suppose, for instance, a demand for carpenters arose at Rotorua, how many could afford to go from Auckland and pay a fare of £1 3s. 9d. on the chance of being accepted when they got there? But if the fare were only 2s. 4d.—as it would be under the Stage System—every unemployed man could afford to go.

A scheme like this must encourage settlement on the land. Indeed its great object is to promote land settlement, for it is only by placing a far larger body of people *on the land* that we can ever hope to bring about permanent prosperity, either in our country districts, or seaport towns. If we had a more active land settlement going on, and the number of our small freeholders rapidly increasing, what strength we should be gaining. Nothing so much increases the wealth and power of a people, produces real political freedom, conserves the rights of property, and fosters a real national spirit of independence, as the creation of a numerous body of small freeholders.

I can see no reason whatever why in this and most other countries, the vast bulk of our labourers, artisans, shopmen, clerks, etc.,