

merchandise between Bluff and Invercargill, and which included delivery within a radius of a half-mile from the Invercargill station, was 7d. per ton per mile, and gave general satisfaction, minerals, &c., being excluded as regards cartage.

The following telegram appeared in the *Invercargill Times* of the 21st instant: "Goods—Classes A, B, C, and D, are to be carried on the Port Chalmers line at D rates. Instructions have been received to-day. The rates are now lower than ever they were." As might be expected, this telegram caused no small amount of astonishment and dissatisfaction to the merchants and traders here, who contend that the change in rates should, without doubt, and in common justice, be applicable to goods carried over the Bluff Section. No doubt competition with water carriage may well be urged in favour of the alteration of rates on the Port Chalmers line, but the merchants here view it in the light of giving the Dunedin merchants a monopoly of the Invercargill trade, and aver that the same plea may be urged in their case, as unless a like concession is made to them they will be forced to bring their Dunedin shipments to Invercargill jetty, and to have goods *via* Bluff lightered to Invercargill.

Apart from considering the difference in freight on Port Chalmers and Bluff lines, I would strongly urge the advisability of carrying goods on the Port line under one class (excepting minerals, &c., and would recommend that the rate should not exceed 7d. per ton per mile without a terminal charge, such rate to include delivery within a radius of a half-mile from Invercargill station. In many cases this might appear inequitable, but it must be borne in mind that in most cases provision is made in B/L for goods of unusual bulk or character, which would also be applicable in charging railway freight. If such were the case on this section, I am fully satisfied that the interests of the department would be furthered thereby, and at same time present cause of complaint on the part of the merchants would be obviated, or at least considerably lessened.

Local Traffic.—As regards local traffic under goods classification, those interested doubtless are benefited from goods being carried by dead weight of 2,240 lbs. to the ton, and but little, if any, ground is given for complaint, unless in cases of inequality of value as against weight or bulk, which can be remedied from time to time as particulars are brought under notice and reported upon with a view to adjustment, &c. I would submit the following as an instance: Grass seed from Bluff to Edendale is carried according to B/L; from Bluff to Invercargill, under Class E, at double rates, while freight is charged by measurement. I am of opinion that in this and similar cases on the Port line single rates only should be charged.

Classes E, F, and G.—Generally satisfactory.

Sawn Timber.—The rate of 6d. per 100 per mile works satisfactorily in the case of saw-millers within short distances of shipment, but the owners of saw-mills over thirty miles from the Bluff complain, and I believe with reason, that the above rate almost precludes the possibility of their engaging in the export of timber. I therefore would recommend that the rate be made $\frac{3}{4}$ d. per 100 feet per mile for thirty miles, and $\frac{1}{4}$ d. per 100 feet per mile for further distances. Unless some such alteration be made the timber traffic will be seriously affected. I would further venture to suggest that a minimum charge of say 7s. per truck be established for small quantities of timber for distances under ten miles. Should the above suggestions be acted upon, this very important source of revenue will be encouraged and increased.

Special Trains.—The present rate of 20s. per mile is, in my opinion, prohibitory, and I consider that if the rate were lowered from 20s. to 10s. per mile, with a minimum charge of £5, there would be a marked increase of revenue from this source, more especially in cases of emergency, when special trains would be oftener brought into requisition. While on the subject of special trains, I would advert to the falling off of revenue for special trains hence to the Church of England Cemetery, a distance of three miles from Invercargill station, the former rate for which was £3, now increased to £5 per train, which has caused other modes of conveyance to be universally adopted. This being the case, I would recommend that the former rate of £3 be reverted to, train to consist of three carriages, with a further charge of 5s. for every carriage over that number.

Return Tickets.—I regret to report that the system of making return tickets available for day of issue only has been most detrimental to the department, and has undoubtedly caused—and if continued will still cause—many to resort to other means of conveyance; and unless return tickets are made available for the day following that of issue, the passenger traffic will be seriously affected.

Excursion Trains.—In the event of running excursion trains, I would recommend to your favourable consideration that the rate of 1d. per mile be adopted, instead of the present rate of return tickets at single fares, which on holidays and other occasions would prove a great success, and add materially to receipts for passenger traffic.

I have no doubt, from what has been adduced, you will be able to form an idea as to the general working of the new tariff, and, should you see fit to adopt the suggestions contained herein, I feel assured that the working of this section, as regards rates, &c., will prove satisfactory and remunerative.

I have, &c.,

THOS. ARTHUR,
Manager.

The Superintending Engineer, C.R., Christchurch.

APPENDIX E.

NEW ZEALAND RAILWAYS.

Messrs. HEMANS and BRUCE to the AGENT-GENERAL, London.

SIR,—

2, Westminster Chambers, Victoria Street, S.W., 5th January, 1877.

We have, in accordance with your instructions, carefully considered the question of the relative advantages of the adoption of steel rails instead of iron rails, which have hitherto been sent out to New Zealand, for the railways in that colony.

For the most part, the rails sent out have weighed 40 lbs. per lineal yard, but at the time when