

Some controversial correspondence has been recently carried on in the Auckland press respecting the working of this line, in which it is claimed that on this line the fares are framed on what is termed "Vaile's system." This can hardly be said to be the case, as Vaile's system, as explained before a Parliamentary Committee, in 1886, claimed to go in for an enormous reduction in the passenger fares prevailing on the Government railways; on the Whangarei line, the reverse course has been followed, and the fares have been raised for the journeys mostly taken, where extra fares could be obtained.

From the recent correspondence it appears, also, that a very singular error is entertained in some quarters. It seems to be supposed that the coal traffic and handling cost nothing to perform, and that the 20,000 tons of lost mineral traffic could be resumed again without increasing the present expense—that is, without incurring any expense for engine power, track repairs, rolling-stock repairs, stores, crane working, clerical assistance, &c.

The rates usually charged for coal and mineral traffic are barely sufficient to cover the cost of conveying and handling; if the 20,000 tons of traffic were again resumed, a corresponding increase in working expenses must be anticipated. The line, at present, is making a little profit, as higher fares are obtained for the work now done than was the case in 1886.

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