

Dealing first with the question of passenger-fares, I would point out that prior to the inauguration of the present exceedingly low passenger-fares which rule throughout the New Zealand railway system the passenger-rates on the various port lines were special rates granted for the purpose of enabling passengers to travel cheaply between the port of shipment and the distributing centre. The consequence was that passengers travelling over the port lines of the Dominion were carried at lower rates than passengers who travelled between stations situated at similar distances apart on other portions of the New Zealand railways. There were also special seaside rates in operation between Invercargill and the Bluff. These special port and seaside rates were continued until the general reduced passenger-fares brought ordinary single tickets down to the level of the port or suburban rates, but the ordinary return tickets being double the single fare it was still necessary to make special return fares for the port lines to obviate the increase that would otherwise have resulted, so that, although the rates for single tickets between Lyttelton and Christchurch, Dunedin—Port Chalmers, and Auckland—Onehunga may be considered to be the ordinary passenger-rates for the mileage, the return fares between the same stations are 25 per cent. lower in the case of first- and second-class return tickets than the rates which are paid by passengers who travel between stations where the ordinary rates prevail.

At Auckland, owing to the keen competition of trams, 'buses, and steamers, it was necessary to fix very low fares in order to induce the people to use the railway, and for many years the passenger-rates ruling on the Auckland—Onehunga line were lower than those on any other port or suburban line in the Dominion, but while those rates have remained stationary the rates on the Lyttelton and other port lines have been reduced. In 1898 the passenger-rates between Christchurch and Lyttelton were 1s. 4d., 11d., 1s. 9d., and 1s. 2d.; the Auckland—Onehunga rates were 1s., 9d., 1s. 6d., and 1s. 2d. To-day the Lyttelton rates are 1s., 8d., 1s. 6d., and 1s.; and the Auckland—Onehunga rates are 1s., 9d., 1s. 6d., and 1s. So that, while a material reduction has been made in the Lyttelton—Christchurch rates (25 per cent., first single; 27 per cent., second single; 14 per cent., first return; and 14 per cent., second return) the Auckland—Onehunga rate has practically remained stationary, notwithstanding the keen competition existing between 'buses, trams, steamers, and the railway. This disposes of the statement that Auckland has been more favoured than Christchurch.

With the increase of the shipping business at the Bluff consequent on the improvement of the harbour, it was necessary to extend to that port the policy that had been years previously adopted in the case of other ports in the Dominion. In applying the policy the rates that had been in operation for years in connection with the seaside business were made available for ordinary travel, and ever since that time the Christchurch people have been contending that the lowest rates in operation should be taken as the basis for all rates.

According to Messrs. Badham, Biss, and Thornton, the excess rate paid by Lyttelton in respect to passenger-fares is 30·36 per cent. over and above the average rate paid by the three other ports. They arrive at this conclusion by taking the average fare of four classes of tickets and dividing it by the mileage, and assert that the rate per mile in the case of Lyttelton is 1·318d., while in the case of the three other ports it is 1·011d., the difference being 0·307d. per mile. The correct average rates per mile are 0·975d. for Lyttelton—Christchurch, and 0·842d. as an average for the other three ports, and on this basis the excess paid by Lyttelton is 0·133d. per mile. This represents a charge of $\frac{9}{10}$ d. per passenger for the seven miles of travel, and it cannot be seriously contended that this difference is burdensome to the chance travellers on the Lyttelton line.

For first-class single Lyttelton pays 0·178d. per mile more than Auckland—Onehunga, 0·053d. per mile more than Dunedin—Port Chalmers, and 0·134d. per mile more than Bluff—Invercargill. For second-class single the rates for Lyttelton—Christchurch, Auckland—Onehunga, and Port Chalmers—Dunedin are the same, while Lyttelton pays 0·235d. more than Bluff—Invercargill.

For first return Lyttelton pays 0·25d. per mile more than Auckland or Dunedin, and 0·47d. per mile more than Bluff—Invercargill. For second return Lyttelton pays 0·17d. per mile more than Auckland or Port Chalmers, and 0·479d. more than the Bluff.

Regular travellers invariably take advantage of the season-ticket rates, and are more affected by those rates than by the ordinary-ticket rates. The bulk of the passenger traffic on the Lyttelton line consists of persons who regularly travel between their homes and places of business, and in the great majority of cases hold season tickets. The season-ticket rates are applicable to the whole of the lines of the Dominion, and are not, as the Christchurch people wish to infer, rates specially made for passenger traffic on the port lines, consequently these rates have to be looked at from a standpoint of the community generally. It is claimed on behalf of the Christchurch people that for travel over a distance of seven miles they pay more than season-ticket holders on the other port lines. This difference is stated by Badham, Biss, and Thornton to vary from 8·58 per cent. to 77·30 per cent. against Lyttelton. In respect to yearly tickets, however, Lyttelton pays 3·43 per cent. less for first-class, and 0·32 per cent. less for second-class, than Auckland or Dunedin. For half-yearly first-class Lyttelton pays 0·26 per cent. more than Auckland or Dunedin, but for second-class it pays 7·44 per cent. less than those places. For quarterly first Lyttelton pays 2·12 per cent. more than Auckland or Dunedin. For second-class it pays 0·45 per cent. less. For monthly first-class Lyttelton pays 4·24 per cent. less than Auckland or Dunedin, and for second-class 0·73 per cent. more. In the case of Bluff—Invercargill, the Lyttelton—Christchurch rates are somewhat higher. For fifty-trip single commutation tickets Messrs. Badham, Biss, and Thornton state the excess paid by Lyttelton is 9·24 per cent. over Auckland—Onehunga, 12·42 per cent. over Dunedin—Port Chalmers, and 21·73 per cent. over Bluff—Invercargill. The true position is that Lyttelton pays 0·156 per cent. less than Auckland or Dunedin for first-class and 2·26 per cent. less for second-class, and 0·236 per cent. less than Bluff for first-class and 10·74 per cent. less for second-class.

For fifty-trip family tickets Messrs. Badham, Biss, and Thornton show that Lyttelton—Christchurch pays 9·005 per cent. more than Auckland—Onehunga, 12·16 per cent. more than Port