

Chalmers—Dunedin, and 20·38 per cent. more than the Bluff—Invercargill. Lyttelton actually pays for these tickets—first-class 0·625 per cent. *less* than Auckland—Onehunga or Dunedin—Port Chalmers, 2·95 per cent. *less* than Bluff; and for second-class 0·156 per cent. *less* than Onehunga, 0·165 per cent. *less* than Port Chalmers, and 0·236 per cent. *less* than Bluff.

For twelve-trip workers' tickets Messrs. Badham, Biss, and Thornton state that Lyttelton pays 8·89 per cent. more than Auckland—Onehunga, 11·95 per cent. more than Dunedin—Port Chalmers, and 19·15 per cent. more than Bluff—Invercargill; Lyttelton actually pays 2·14 per cent. *less* than Auckland—Onehunga and Dunedin—Port Chalmers, and 9·72 per cent. *less* than the Bluff—Invercargill.

For twenty-trip technical-school tickets Messrs. Badham, Biss, and Thornton state that Lyttelton pays 8·77 per cent. more than Auckland—Onehunga, 11·92 per cent. more than Dunedin—Port Chalmers, and 19·01 per cent. more than the Bluff—Invercargill: Lyttelton actually pays 2·11 per cent. *less* than Auckland—Onehunga and Port Chalmers—Dunedin, and 9·80 per cent. *less* than the Bluff—Invercargill.

Taking the passenger-fares and season tickets as a whole, therefore, it will be found that in the aggregate Lyttelton pays *less* than any other of the port lines.

Coming now to merchandise, instead of Lyttelton paying more than other lines, as asserted by Messrs. Badham, Biss, and Thornton, it actually pays 57·49 per cent. *less* than Onehunga, 4·99 per cent. *less* than Dunedin, and 15·26 per cent. *less* than the Bluff.

For grain Lyttelton pays 75·03 per cent. *less* than Onehunga, 14·26 per cent. more than Port Chalmers, and 2·92 per cent. more than Bluff.

For imported and native coal it pays respectively 14·26 per cent. more than Onehunga and Port Chalmers, and 9·80 per cent. and 2·92 per cent. *less* than the Bluff.

For wool it pays 4·99 per cent. *less* than Onehunga, 14·29 per cent. more than Port Chalmers, and 4·08 per cent. more than the Bluff.

For timber it pays 14·40 per cent. more than Auckland or Dunedin, and 64·56 per cent. *less* than the Bluff.

Taking the goods business on the basis of the average for the three ports, and comparing the Lyttelton rates with that average, the position is that Lyttelton pays for merchandise 0·555d. per mile *less* than the average for the other three ports; for grain, 0·187d. *less*; for wool, 0·082d. more; for timber, 0·50d. per 100 superficial feet *less*; for coal, 0·53d. more. On this basis Lyttelton therefore pays 25·90 per cent. *less* than the other three ports for merchandise, 21·52 per cent. *less* for grain, 3·98 per cent. more for wool, 13·12 per cent. *less* for timber, and 6·59 per cent. more for coal.

Taking the volume of traffic to be as assumed by Messrs. Badham, Biss, and Thornton, whose figures as to the volume of business are, however, quite erroneous, instead of paying the excess of £26,800 per annum, as stated by them, Lyttelton actually pays £9,200 *less* than would be paid for the same business by the other three ports, taking the average rates on the business stated.

With regard to the fluctuations of rates, it is not, of course, to be expected that in compiling the railway tariff every rate relating to every description of traffic and for all distances will bear exactly the same relative position throughout, but it will be seen that, taking the rates as a whole, Lyttelton is more favourably situated than the other ports, and that the contentions of the Department are fully borne out by the figures that have been placed before you.

When the question of rates was last under discussion an endeavour was made to discredit the statement of the Department that the Lyttelton Harbour Board had increased its wharfage-rates by 3d. per ton on merchandise coincident with the reductions made by the Department. There is, however, no question as to the correctness of the statement made by the Department. It may be true, as asserted, that the Lyttelton Harbour Board passed a certain resolution on the 25th May, 1904. The question of reducing the Lyttelton—Christchurch rate was, however, under discussion at that time, and had been for some time previously, and it was generally understood that a reduction of 3d. per ton in the railway rate would probably be made, and as a matter of fact the reduced railway rate came into operation on the 25th July, 1904, while the Lyttelton Harbour Board's increased rate did not come into operation until the 1st September of the same year.

The Department's statement that the rate between Auckland and Onehunga was 5s. 3d. per ton for goods of classes A, B, C, and D was also disputed by Mr. Laurensen, who asserted that the rate was 4s. per ton. The fact, however, remains that the rate to the Onehunga Wharf is 5s. 3d. per ton, and this is the rate at which the traffic is carried, the Onehunga Wharf bearing the same relation to Auckland as the Lyttelton Wharf does to Christchurch. There is, however, this important difference: that, whereas at Lyttelton the Railway Department has had to provide expensive terminal facilities, the facilities provided at Onehunga Wharf are of the simplest possible character, and consequently the terminal charge which is included in the rate in the ordinary way is sufficient to cover the cost of the terminal facilities provided at Onehunga, and for this reason goods of classes A, B, C, D, and H, and live-stock, which are carried by rail between Onehunga and Auckland, are free of wharfage. There is no goods traffic between Auckland and Onehunga Town beyond a few small consignments, and in considering the rate in operation between Auckland and Onehunga ships' goods represent the business in precisely the same way as the shipping traffic represents the business done between Lyttelton and Christchurch, and the rate for ships' goods between Onehunga Wharf and Auckland is 5s. 3d. per ton, in the same way as the rate between Lyttelton and Christchurch is 4s. 3d. per ton. These figures represent the charges levied by the Railway Department for services rendered. Any charges made by the Lyttelton Harbour Board are altogether beyond the control of the Railway Department. So long, therefore, as the Railway Department controls the Onehunga Wharf, and the terminal charges included in the rates in the ordinary way are sufficient to maintain the wharf and provide for the terminal facilities afforded at Onehunga, the Department would not be justified in making a charge for wharfage on mer-