

been very widely circulated, to the effect that, owing to our rates being high, the traffic was falling off, but it will be seen, from what I have just stated, that this conclusion is not justifiable.

The total traffic in goods and live-stock for the last two years has been as follows:—

GOODS TRAFFIC.								
Year.	Wool. Tons.	Timber. Tons.	Firewood. Tons.	Grain. Tons.	Minerals. Tons.	Merchandise. Tons.	Chaff, &c. Tons.	Total Goods. Tons.
1883-84 ...	62,067	183,449	81,255	432,224	574,313	350,262	16,470	1,700,040
1884-85 ...	68,523	178,909	86,670	414,590	618,511	365,623	17,030	1,749,856

LIVE STOCK.			
Year.	Horses and Cattle. No.	Sheep and Pigs. No.	Total Live Stock. No.
1883-84 ...	39,230	656,612	695,842
1884-85 ...	43,096	696,790	739,886

From these figures it will be seen that, with the exception of timber and grain, there is a very considerable increase on all heads. The decreases in timber- and grain-carriage are easily accounted for: the former, by reason of a very marked decrease in building in the South Island, and the latter, from the fact that little grain of this season's harvest was carried previously to the end of March.

The returns of the Registrar-General show that the acreage of grain grown in the Provincial Districts of Otago and Canterbury has been only about 4,000 acres less than during the previous year, and I am informed that the increased yield will probably make up the difference; so that we have every reason to expect that much of the loss of tonnage which now appears will be made up during this year.

This brings me to the question of some alterations in the rates for the carriage of grain made during the year.

One of these alterations consisted in the reduction, over the district between Waikari and Oamaru, of the rates on short distances between 8 and 16 miles to the extent of 1s. 6d. per ton, keeping the rates as they were for the first 8 miles, and this has had the effect of securing a large amount of traffic which was being lost to the railways owing to the easy road-carriage. When this alteration was made, however, other parts of the colony complained that the rates in their districts had not also been reduced, and such strong representations were urged in this direction that the Government made the reduction general, except for distances of 8 miles and under. The effect will be a gain by the first reduction and a loss by the second, involving a loss on the whole of from £15,000 to £20,000, but this will, of course, depend upon the tonnage carried.

Another large reduction was made on the carriage of native brown coals carried from the Waikato, Malvern, Shag Point, Green Island, Kaitangata, and the western districts of Southland; the cause of making this reduction being that our statistics showed that, owing to the reduction in price of imported coal, the consumption of the local brown coal, of which we carried last year 164,000 tons, was being seriously affected. Whether this reduction is sufficient to keep up the demand remains to be seen; but it must be borne in mind that our rates now are very low, and relief in the direction of further reduction must not be looked for by the mine-owners.

There are a few items which I think it right to draw the attention of honourable members to, which tend to make a comparison between the New Zealand and other railways appear unfavourable.

First I would refer to the great and increasing cost of repairs to fencing. I find that, by a decision come to in 1882, the Government have undertaken the whole repairs of the railway fences, only stipulating that they must be, or must have been when erected, legal fences in terms of the Act. This appears to me very unfair, and why such a difference should be made in the case of boundary fences between the Government and private individuals, as compared with those between neighbours all over the colony, I am at a loss to understand. The cost is very large, and increasing yearly.