

1907.  
NEW ZEALAND.

## RATES ON LYTTELTON-CHRISTCHURCH RAILWAY

(REPORT OF THE GENERAL MANAGER FOR RAILWAYS ON).

*Laid on the Table of the House of Representatives by Leave.*

THE GENERAL MANAGER FOR RAILWAYS to the HON. THE MINISTER FOR RAILWAYS.

Railway Department, Head Office, Wellington, 15th October, 1907.

Memorandum for the Hon. the Minister for Railways.

WITH further reference to the question of the rates charged on the Lyttelton-Christchurch line, and the statement prepared by Messrs. Badham, Biss, and Thornton at the instance of the Hon. H. F. Wigram, I have to report that in preparing their statement the firm in question has fallen into the same error as other persons who have from time to time essayed to show that the railway rates in Canterbury, and on the Christchurch-Lyttelton line in particular, are inequitable and operate detrimentally to the interests of Canterbury—*i.e.*, they have taken the tariff rates, and, ignoring altogether the railway regulation governing the computation of distances, and the terminal charges, have divided the rate by the actual mileage, and taken the results thus ascertained as the basis of their calculations.

It has repeatedly been pointed out to those individuals and local bodies who have interested themselves in the subject that deductions based on such premises are erroneous and misleading, for the primary reason that the major portion of the rates is comprised in the terminal charges.

These terminal charges, being the same for either a short or long distance, have naturally a preponderating influence where short-hauled traffic is concerned, while their effect is inappreciable in the case of long-hauled goods. It therefore follows that in order to make a fair comparison of the various rates it is essential that the actual haulage or conveyance charge be ascertained by deducting the terminal charge from the total rate. Again, in dealing with the question of distances separating the ports from the towns, which are the distributing centres in the various parts of the Dominion, due regard must be paid to the railway regulation governing the calculation of distances for the purpose of computing rates. It is not the practice in this Dominion to make rates for fractional parts of a mile, and the regulation provides that where the distance is in excess of 5 chains it shall be computed as an additional mile, and railway rates have been based accordingly. The accountants, no doubt owing to their inexperience and lack of expert railway knowledge, have not followed this course, and the result is that they have placed before the Hon. Mr. Wigram statements that are utterly misleading and incorrect both as regards the average cost per mile and the excess which, according to their figures, is paid by Lyttelton over the other ports.

The effect of the method adopted by the Accountants and the fallacy of their figures will be seen by the following statements:—

### ORDINARY PASSENGER-FARES.

	Average Fare in Pence.		Cost per Mile in Pence.		Excess per Cent. paid by Lyttelton.	
	Accountants.	Railway.	Accountants.	Railway.	Accountants.	Railway.
Christchurch ...	8·3	5·848	1·318	0·975	...	...
Auckland ...	8·5	5·250	1·098	0·875	20·04	11·43
Dunedin ...	8·6	5·375	1·088	0·896	21·14	8·82
Invercargill ...	14·3	4·530	0·846	0·755	55·79	29·27
Average—						
Christchurch ...	8·3	5·848	1·318	0·975	...	...
Other three ports ...	10·466	5·031	1·011	0·842	30·36	15·80