

where it is desirable to combat motor competition, and, where necessary, local rates be made use of to give effect to this recommendation. The Department to co-operate as far as possible with, or make use of, existing carrying firms or companies, either at agreed-on rates or by calling for public tenders, rather than establishing a departmentally operated carrying service.

**(6) Whether the existing arrangements with the Post Office for carriage of mails is equitable to the Railways.**

Upon investigating the arrangements between the Railways Department and the Postal Department your Commission found itself in the position of not being able to find any definite written agreement between the two Departments, and there exists at the present time a difference of opinion as to the services that should be rendered by the Railways Department for the carriage of mails, or, conversely, for the rates that should be paid by the Postal Department for the services rendered.

We are of opinion that in future a definite written contract should be entered into for a specified term on a basis to be clearly defined.

The difference of opinion at present existing between the Postal Department and the Railways Department is, in the main, in respect to the carriage of what may be termed the second-class mail-matter transported by mixed and goods trains in four-wheeled wagons. In 1925, 5,520 wagons were utilized for the carriage of mail-matter, with a wagon-mileage of 1,015,924 miles. The number of wagons used in 1930 was 10,686, with a wagon-mileage of 1,840,852, for which no payment was made to the Railways Department.

The above figures show that during the last few years this traffic appreciably increased, and your Commission is of opinion that the time has arrived when payment should be made for this service.

Under the present system there is no inducement for the Postal Department to economize in the number of wagons used, by reason of the fact that no charge is made per wagon-mile. Consequently, parcel traffic is accepted by that Department which makes unprofitable freightage for the Railways Department.

In November, 1929, tallies were taken, and it was found that the amount due to the Railways Department for the carriage of mails at full parcel rates, and including a charge for wagons not heretofore made, would be £212,811.

The total number of bags and hampers handled in 1929 was estimated at 1,953,978, an increase of 158,630 over the number carried in 1925; while the total weight of bags and hampers handled in 1929 was estimated at 19,776 tons, an increase of 3,657 tons over the weight carried in 1925, the percentage increase in bags and hampers being 8·83 and in weight 22·7 respectively.

The following are the amounts paid to the Railways Department for the carriage of mails for financial years: 1924-25, £101,316; 1925-26, £103,675; 1926-27, £103,000; 1927-28, £117,338; 1928-29, £114,991; 1929-30, £117,867.

The basis of payment is at present as under:—

	£	s.	d.
Main lines, per mile .. .. .	..	21	2 6
Branch lines, per mile .. .. .	..	16	0 0
Postal sorting-cars on express trains, haulage per mile ..	..	0	1 4
Bogie wagons on express trains, per mile .. .. .	..	0	0 9

An annual grant of £555 is also made to the Railways Department for the Queenstown-Kingston service.

Your Commission recommends that in future the charges to the Postal Department should be on the following basis:—

In guards' vans of mail, express, passenger, mixed, and goods trains: Mails at half parcel rates.

Postal sorting-cars attached to express or mail trains: Haulage per car-mile, 1s. 4d.

Bogie wagons on express trains: 9d. per mile.

Four-wheeled wagons conveying mail-matter on mixed or goods trains: 6d. per wagon-mile.

The charges for the Lake Wakatipu service to remain as at present.

On the basis of the present mails carried, this would provide a revenue of £154,740.