

We submit a new scale (column No. 2) which shows an increase on the present rates charged, and which (in the aggregate) will provide a substantial increase in the revenue :—

Distance.	New Zealand.		New South Wales.	Victoria.	South Australia.	Western Australia.	Queensland.	South Africa.
	Present. (1)	Proposed. (2)						
Miles.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
2	1 9	1 10	2 4	1 10	1 4	2 0	1 4	2 3
3	2 3	2 2	2 11	2 3	1 10	2 3	1 4	2 9
4	2 3	2 6	3 5	2 8	2 3	2 9	2 2	3 3
5	2 3	2 9	3 11	3 1	2 7	3 6	2 8	4 0
6	2 3	3 0	4 4	3 5	2 11	4 3	3 6	4 6
7	2 3	3 3	4 8	3 9	3 3	4 9	3 6	5 3
8	2 6	3 6	5 0	4 0	3 7	5 3	3 9	5 9
9	2 6	3 9	5 3	4 2	3 11	6 0	4 4	6 6
10	2 6	4 0	5 6	4 3	4 3	6 6	4 7	6 9
11	2 9	4 3	5 9	4 6	4 7	7 0	4 10	6 9
12	3 0	4 6	6 0	4 8	4 10	7 3	4 10	7 0
13	3 0	4 9	6 2	4 10	5 1	7 6	5 5	7 0
14	3 3	4 11	6 4	4 11	5 4	7 9	5 8	7 3
15	3 3	5 0	6 6	5 0	5 7	8 0	5 11	7 6
16	3 9	5 2	6 8	5 2	5 10	8 0	5 11	7 6
17	3 9	5 3	6 10	5 3	6 0	8 3	6 2	7 6
18	4 0	5 5	7 0	5 5	6 2	8 3	6 5	7 9
19	4 3	5 7	7 2	5 7	6 5	8 3	6 5	7 9
20	4 3	5 8	7 4	5 8	6 6	8 9	6 9	7 9

It will be seen from the scale recommended that the proposed rates compare favourably with those charged in any of the above countries. It is estimated that the increased revenue from this alteration will be £22,060.

(4) Whether the goods tariff is such as to produce the best results, having regard to the charges that the various classes of goods can bear economically, and the competition from other forms of transport.

The classification and the scale of charges in respect of the New Zealand Railways were made some years ago. The motor competition as it now exists was then unknown. It was found that additional revenue could be obtained from the carriage of Classes A, B, C, and D goods, and the Department was therefore able to give low rates for goods in Classes E, F, K, N, P, Q, and R, which include such articles as grain, timber, coal, metal, chaff, lime, and at the same time obtain the revenue required to meet working-expenses and the policy rate of interest, which in 1897 was fixed at 3 per cent. The policy then laid down provided that all revenue earned by the railways in excess of 3 per cent. should be returned to the users of the railways by means of reductions in passenger fares, goods rates, and by the provision of additional train services to assist in the development of the country and its industries. This policy was continued until 1914, when the war broke out. Percentage increases were then made to provide increased revenue to assist in meeting the general financial position.

Motor competition, which exists more or less throughout the Dominion, has now completely altered the outlook, and it has been found necessary to meet the position by the introduction of a large number of local competitive rates in various parts of the Dominion. Broadly speaking, motor competition is confined to the higher and more remunerative classes of railway traffic, while the transport of the lower-rated goods is in nearly every case left to the railway. The railway rates for the latter class of traffic are unremunerative, and in many cases barely cover the cost of transportation. For instance, agricultural lime is carried at an average rate of 0·72d. per ton per mile; New Zealand hard coal, 1·81d. per ton per mile; New Zealand brown coal, 1·08d. per ton per mile; road-metal, 1·92d. per ton per mile; New Zealand timber, 1·93d. per ton per mile; manures, 1·67d. per ton per mile; and New Zealand fruit, 1·67d. per ton per mile.