

In 1926 a special concession in railway rates was made for fertilizers, and this reduction on the average distance of a 52 mile haul amounted to 3s. 10d. per ton. This equals an amount of approximately £120,000, half of which is borne by the Railways Department, and we are of opinion that this loss to the Railways Department should not be allowed to continue.

With regard to the free carriage of lime, the conditions of the country have changed to such an extent as to render this concession no longer justified.

Although appeals have been made from time to time to farmers and others to give preference to the railway for the carriage of the higher-rated class of goods because of the concessions given to them for lime, fertilizers, and produce generally, it has had little effect. In many cases firms such as dairy companies obtain their fuel and rough goods by rail and arrange for the carriage of the manufactured produce by motor.

Your Commission is of opinion that, so far as the goods tariff is concerned, the only action to be taken in assisting to balance the finances of the Department is by raising the rates and/or conditions of carriage on the lower-rated commodities.

*Regulation 1 (Classified Rates).*—The classified rates of Classes A, B, C, and D are for ordinary merchandise, and it is for this class of traffic that the motor-lorry is in keen competition with the Department. At the present time it would not be advisable to make a general reduction in the rates, as by so doing the Department would lose a considerable amount of revenue where competition does not exist. To meet the motor-lorry competition, local rates have been made use of to a large extent, and your Commission suggests that this method of meeting competition should be continued. The other rates are dealt with separately under their respective classes.

*Regulation 3 (Scale for Small Lots).*—No alteration to this regulation is recommended. Where competition exists, the charging under provisions of this regulation is frequently cancelled and goods carried at *pro rata* of the tonnage rate.

*Regulation 4 (Class E).*—The goods carried under this class are of the produce type, such as grain, potatoes, &c. It is recommended that, except in the case of grain, a 10-per-cent. increase be made in the classified rate. The estimated additional revenue will be £12,000.

*Regulation 5 (Class F).*—Goods charged under this regulation are of more or less the “scrap” class, such as firewood, straw, and the like. This is the lowest rate in the tariff, and your Commission recommends that all goods charged under the provisions of this regulation should be increased by 10 per cent. The estimated additional revenue will be £3,200.

*Regulation 6 (Class H).*—Your Commission does not recommend any alteration to this regulation, which applies to the carriage of wool only. Wool is a highly-competitive traffic, and, in many cases, to secure the business the Department has to reduce the present rates.

*Regulation 7 (Sawn Timber, Logs, &c.).*—The only alteration your Commission recommends to this regulation is in respect of the minimum load up to seventy-five miles. It is considered that this minimum is an unpayable one, and it is recommended that the following minima should apply for this class of traffic, irrespective of the distance the goods are carried:—

				Sup. ft.
Each four-wheeled truck (not otherwise specified)	..	..	..	2,000
Each LA or RD truck	..	..	..	3,000
Bogie trucks R and U, or pair of timber-trucks	..	..	..	4,000
Bogie trucks RB and UB	..	..	..	5,000

*Regulation 8 (Live-stock).*—No alteration to this regulation is recommended.

*Regulation 9 (Class N).*—The goods carried under the provisions of this regulation are chiefly imported coal and goods manufactured from cement. This rate is one of the lower classes, and it is recommended that same should be increased by 10 per cent. The estimated additional revenue will be £2,900.

*Regulation 10 (Class P).*—The goods carried under this regulation are, in the main, New Zealand anthracite or bituminous coals, concrete blocks, bricks and tiles, &c. This is another one of the lower rates, and it is recommended it be increased by 10 per cent. The estimated additional revenue will be £33,000.