

*Regulation 11 (Class Q).*—This regulation deals with bulk goods, such as gravel, metal, chaff, hay, and lime. It is considered that an increase of 10 per cent. would have little effect on this traffic and would bring in additional revenue to the Department, and a recommendation is made accordingly. The estimated additional revenue will be £20,000.

*Regulation 12 (Class R).*—The only class of goods carried under this regulation is New Zealand brown coal. This rate appears to have been made in favour of long-distance traffic. Your Commission recommends that the rate on New Zealand brown coal should be increased by 10 per cent. up to 100 miles, and then gradually increased up to 15 per cent. for distances up to 200 miles, and a flat increase of 15 per cent. beyond 200 miles. The estimated additional revenue will be £65,000.

*Regulation 13 (Lime for Manuring Farm Lands).*—At the present time lime is carried free for the farmers for distances up to 100 miles, the Railways Department and the Department of Agriculture sharing the cost between them. Your Commission recommends that the Railways Department should receive the proposed Class F rate for this traffic, and, should it be decided to grant some concession to this traffic by means of lower rates than those recommended, the loss in revenue should not be borne by the Railways Department. The estimated additional revenue will be £30,000.

*Regulation 14 (Road-metal for Use of Local Bodies).*—At the present time concession rates are granted for the carriage of this traffic. Metal consigned to local bodies for use on feeder roads is charged five-eighths Class Q, and metal to be used on other than feeder roads is charged under the provisions of paragraph 3 of this regulation. Your Commission cannot see that the Department should be called upon to carry this class of traffic at a very unremunerative rate, and recommends that the Railways Department should receive the proposed Class Q rate for this traffic. Should it be decided to grant some concession to this traffic by means of lower rates than those recommended, the loss in revenue should not be borne by the Railways Department. The estimated additional revenue will be £29,000.

*Regulation 15 (Fresh Fruit, Vegetables, Nuts).*—Paragraph 4 of this regulation provides a special rate for this class of traffic. This rate, which is a very cheap one, has a maximum rate of 32s. 6d. per ton for all fruit consigned for 211 miles and over. Your Commission recommends that this scale be extended to 300 miles at a rate of 5d. per ton for each five miles. The rate at 300 miles would amount to 40s., and a further 10 per cent. to be added to the rates. The estimated additional revenue will be £13,200.

*Regulation 41 (Artificial Manures and Raw Material, except Lime, for the Manufacture of Artificial Manures).*—Prior to 1926, fertilizers were charged Class E. In that year a reduction of 40 per cent. was made by the Government on 6-ton lots and over, and a lesser reduction for smaller quantities. Your Commission has considered this matter in its various aspects, and recommends that the Railways Department should receive payment for the carriage of goods carried under the provisions of this regulation at the present Class E rate. Should it be decided to grant some concession to this traffic by means of lower rates than those recommended, the loss in revenue should not be borne by the Railways Department. The estimated additional revenue will be approximately £61,000.

*Regulations 2, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 39, 40, 42.*—No alteration to these regulations is recommended.

*Part IV—Goods: Local Rates.*—With regard to local rates, these are made and cancelled from time to time as necessity requires. With comparatively few exceptions, they are determined by circumstances of competition. The necessity for meeting motor, and, for that matter, other forms of competition, by means of local rates has grown enormously since the advent of the motor, and in the absence of regulatory authority on rates charged it appears that this means of charging will have to be further extended. It is not possible to lay down any definite rule regarding this method of charging, each case having to be decided, more or less, on its merits.