

Representations were made by the Shipowners' Association with reference to the imposition of special rates to ports served by coastal steamers. The association maintains that in many cases these rates are low in comparison with classified rates, and leave little or no margin for profit. In cases where a train service has to be maintained to a port, low rates are justifiable, provided that a rate of not less than the actual cost of haulage and handling is obtained.

Local rates are in many cases governed by competition, but where competition does not exist such rates should be increased by the appropriate percentage.

Part V—Classification.—As regards classification, it is found that alterations are made from time to time regarding the classification of goods carried by rail, and it is not considered that any material alteration is necessary to this part of the tariff.

The question of charging a higher rate for an imported commodity as against a lower rate for locally produced article has been fully considered, and your Commission's recommendation is that where this system operates it should be discontinued and any protection necessary for the locally produced goods should be obtained per medium of the Customs tariff.

Part VI—Wharves.—Your Commission has no alterations to recommend in connection with this section of the tariff.

Part VII—General.—Your Commission has no recommendations to make in connection with this part of the tariff.

(5) Whether the existing arrangements for the carriage and delivery of parcels and/or goods are the best from the point of view of the net earnings of the railways therefrom, the necessity of meeting competition, co-ordination with the Post Office, or any other relevant consideration.

Owing to the better service given by motor transport, there has been a decrease in parcels and small lots of goods conveyed by rail. A motor service which can collect, transport, and deliver such traffic without rehandling has an advantage over the railways. If, however, arrangements were made to collect and deliver parcels and small lots of goods at a competitive rate, motor competition would, we think, be arrested.

It may not be possible to arrange for collection and delivery at all stations, but we are of opinion that arrangements could be made at the main centres and larger towns throughout the Dominion. Whether this work could be best done by contract or by agreement with local carriers is a matter which can be determined by the Department, but your Commission does not favour the establishment of a special departmental motor service for this purpose.

If such a system is brought into operation at any centre or town, provision would have to be made for the rates to include collection and/or delivery. In fixing such rates, consideration would have to be given to competitive rates now operating, even to the extent of the railway rate including the cost of collection and delivery. We do not consider the work could effectively be undertaken by co-ordination with the Post and Telegraph Department, although it may be possible to arrange that some use could be made of their existing motor services in the larger towns for the collection of parcels from depots.

Your Commission recommends that arrangements for the collection and/or delivery of parcels should be made in the larger towns and elsewhere where this service can be satisfactorily carried out.

With respect to the collection and delivery of goods, it does not appear that this would have any effect in arresting competition by road motor for distances up to about fifty miles. The cost of collection and delivery would be too great a proportion of the total charge to permit of this being done at a payable rate. It is on account of the avoidance of these costs that a motor service possesses an advantage.

It is estimated, however, that for distances of fifty miles and over rates could be fixed, including collection and delivery, which would largely meet the position.

Your Commission recommends that the collection and delivery of goods carried or to be carried by rail be undertaken by the Railways Department between towns