

commodities can pay more than others. The justification lies deeper in the fact that the differential rates permit of the fullest possible use of the service.

“Included in the commodities referred to as goods of a relatively low value carried at lower rates are two traffics of special importance to the dairy industry—namely, agricultural lime and artificial manures—both of which are conveyed by rail at rates which cannot be regarded as other than of a concessional nature.

“In order to indicate the extensive nature of the business in these commodities, I would mention that for the year ended 31st March last the respective tonnages were as follows :—

Agricultural lime ..	..	..	..	..	..	195,000
Artificial manure ..	..	..	..	..	..	552,400

“Practically all railway rates are tapered—i.e., the rate per ton per mile is reduced as the length of haul increases, in order to ease the burden of freight charges on long-haul traffic. Charges, apart from adjustments necessary to meet competitive conditions, are levied on a uniform basis over the whole railway system. Variations in costs caused by local conditions of operating are disregarded.

“Summarizing the position, it may be stated that the object of the railway rating system is to distribute transport costs over the whole stream of transport in such a way as to foster the growth of the maximum volume of traffic, volume being one of the first essentials not only to the profitable operation of a railway, but also to the maintenance of low freight rates which are necessary to the economic welfare of every country. The greater the volume of traffic the more thinly can the fixed expenses be spread over each unit of traffic.

“Reviewing the position in the light of the foregoing, it may be stated that the adverse effect on our revenue, consequent on the continuous process of rate reductions to which a big proportion of our higher-grade traffic has been subject, together with the fact that we are obliged to continue to provide adequate services for the transport of huge tonnages of the lower-grade goods at cheap rates, precludes a general reduction in rates being conceded in order to afford relief to any particular industry.”

260. Relation of Railage Rates on Dairy-produce to other Rates :

From the foregoing it will be observed that the claim of the Railway Department is that pre-war railage rates were concession rates instituted in earlier years to assist the development of the industry, and that they had no actual relation to cost of haulage. It is further claimed by the Department that present-day railway operating-costs are still approximately 60 per cent. higher than the pre-war level, and that no reduction of rates on dairy-produce is justified. The attention of the departmental officers was drawn to the difference between present and pre-war haulage rates for meat, and present and pre-war haulage rates for dairy-produce, as disclosed by published rates as follows :—

BUTTER AND CHEESE : ORDINARY RATES.

Rates per ton-mile for	Miles 25.	Miles 50.	Miles 75.	Miles 100.	Miles 150.	Miles 200.	Miles 300.
	d.	d.	d.	d.	d.	d.	d.
Prior to September, 1915	3·1	2·4	2·1	1·7	1·4	1·2	1·1
From September, 1915	3·4	2·7	2·3	1·9	1·6	1·4	1·2
From November, 1917	3·8	3·0	2·5	2·1	1·7	1·5	1·3
From August, 1920	7·3	5·9	5·2	4·4	3·7	3·1	2·5
From February, 1933	6·2	5·0	4·4	3·7	3·2	2·6	2·1

Rates include haulage, loading, and unloading.

MEAT, FROZEN OR CHILLED (BEEF OR VEAL).

Rates per ton-mile for	Miles 25.	Miles 50.	Miles 75.	Miles 100.	Miles 150.	Miles 200.	Miles 300.
	d.	d.	d.	d.	d.	d.	d.
Prior to September, 1915	5·2	4·2	3·7	3·1	2·6	2·2	1·8
From September, 1915	5·7	4·6	4·1	3·5	2·9	2·4	2·0
From November, 1917	6·3	5·1	4·5	3·8	3·2	2·9	2·2
From August, 1920	8·5	7·7	6·6	5·6	4·5	3·7	2·9
From April, 1922	6·4	5·8	5·0	4·2	3·4	2·8	2·2
From August, 1925	6·0	5·4	4·7	3·9	3·1	2·6	2·0
From February, 1933	5·0	4·6	4·0	3·3	2·6	2·2	1·7

Rates include haulage, loading, and unloading.

NOTE.—In August, 1925, when the railway tariff was being reviewed, it was proposed to discontinue the then existing concession rate on meat (25 per cent. off Class C) and charge same the Class C rate. Subsequently, however, it was agreed between the Department and the meat interests to allow a concession of 30 per cent. off the Class C rate and at the same time increase the live-stock rates by 7½ per cent. to compensate for the concession.