

and coastal shipping services are uncontrolled altogether (except, of course, as regards the laws and regulations dealing with seaworthiness, working-hours, and kindred matters, and such domestic control as is exercised by the New Zealand Shipowners' Federation). A closer approach to a mutual understanding between all transport interests must be reached to bring about any satisfactory result. The desired end can only be attained by the adjustment of two factors—rates and time-tables. The adjustment of these two factors must ensure to the public the cheapest and most efficient form of transportation available, and must be subject to some form of control to ensure due observance and provide that stability which is so necessary in modern trading conditions.

35. Arising out of the question of competition we must mention the question of rates and charges for road transport. The Licensing Authorities have found it comparatively easy to fix fares and charges for passenger-services, and, as a general working rule, where road and rail services serve the same places, road fares have been settled at a figure corresponding approximately with first-class rail fares, and in no case falling below second-class rail fares. With goods-services there is much greater difficulty, and, in fact, except in a few minor cases, Licensing Authorities have not attempted to fix them. In view of the Board's limited powers of rate control, it is considered to be advisable to leave the charges under existing scales undisturbed, and anything in the nature of undue interference with rates should be avoided. The practical difficulty, however, lies in the fact that shipping-rates are subject to no control, and railway goods-rates are variable and do not depend on distance only, so it is impossible to settle a definite rate for carriage between any two places served by sea or rail without the agreement of all concerned. The possibility of settling any such scale of rates by agreement appears to be remote and the means of enforcement are entirely lacking.

36. Before leaving the question of co-ordination, we desire to bring to your notice an important aspect of the problem which we consider requires attention. We refer to the necessity of co-ordinating the activities of the various bodies which control the finance and construction of capital works in the transport field. We are of the opinion that any future major constructional work in the transport field should be examined from the standpoint of the economic effect on existing transport services. It is true that this step will not assist in the co-ordination of the existing facilities, but it will at least have the effect of preventing the perpetuation of past errors in the duplication of transport facilities, thereby inviting unnecessary competition with services which in many cases have proved to be entirely satisfactory. The most striking aspects of the existing financial control are the great diversification of authority controlling the expenditure of money in transport development and the lack of economic co-ordination between the various conflicting fields of transport construction. We refer in general terms to the construction of railways supplanting coastal shipping services, to the development of main highways promoting direct competition with the railway service, the development of small harbours at the expense of elaborately equipped major ports, and the projected expenditure on airports which may affect all other forms of transport. We quote the following observation of Mr. J. B. Eastman, the Federal Co-ordinator of Transport for the United States of America, after an exhaustive examination of the transport position in that country:

“If no thought is given to the development of a well co-ordinated national system of transportation, and Government money is poured into the construction of new means of transportation without regard to the effect upon those which already exist in the greatest profusion, and if, on top of all this, competition between rival forms of transportation is allowed to run riot, there can be no ultimate end but complete demoralization with injury to all and benefit to none.”

CONCLUSION.

37. The Board desires to close its report by expressing its appreciation of the assistance it has received from the Commissioner of Transport and the staff of the Transport Department.
