

ORDER OF REFERENCE NO. 4.—GOVERNMENT REGULATION OF CHARGES ON
TRAMWAY.

The rates of freight and the passenger-fares to be charged on the tramway are fixed by the Order in Council authorizing its construction, and such Order in Council rates are doubtless generally adhered to, but one case has been brought under our notice where the company has demanded a rate in excess of the Order in Council rate, and another case where the company declined to carry timber at all for a mill which the company considered was competing or might compete with its own mill.

One of the reasons for the company proposing to abandon its Order in Council is that it could then charge whatever rates of freight it pleases. We question very much the validity of this contention, however, as if the Order in Council is handed in and becomes of no effect the tramway will apparently become a private tramway, and such tramway can only be used in connection with and for the purposes of the business of the owners thereof, and "such business shall not be the carriage of passengers or goods for hire" (see Tramways Act, 1908, section 16).

We think it quite advisable that the Crown should regulate, as far as possible, the scale of charges to be enforced on the tramway, and also that an arrangement should be made with the company as to the Government controlling to some extent the working of the tramway. This will be specially desirable, and even necessary, in the future if large quantities of Crown, Native, and private timber are to be sent to market over this tramway. Such an arrangement can be arrived at only by mutual agreement, however, unless the company applies for the issue of a new Order in Council. In the latter case provision can doubtless be made as above suggested, provided that a form of Order in Council can be devised that the company cannot abandon at pleasure.

If a new Order in Council is issued fixing rates to be charged on the tramway, provision should be made for all artificial manures, including lime, being carried at Class 2 rates, or even less.

The settlers in the Tokoroa district—viz., between Putaruru and Campbelltown—and the very few settlers who are located beyond that point are of opinion that the rates of freight charged on the line are excessive, and the main reason for the demand to have the tramway taken over by the Government is really for the purpose of having the Government scale of rates (and particularly the through rates) applied to the line.

We interrogated the company's officials very closely on this matter, but they are strongly of opinion that no reductions in rates are possible unless a considerable loss is to be incurred. They insisted over and over again that even at the present rates the settlers' traffic is unprofitable, and the general manager of the company has recommended his board of directors to give up such traffic, and it is this recommendation which is at the root of the company's proposal to surrender its Order in Council.

In view of these strongly expressed opinions the Commission is unable to advise any wholesale reductions in rates, as desired by the settlers, but in any revision of rates that may take place we advise that manures (including lime) be dealt with as indicated above.

The Commission is unable to see that the settlers have any very grave ground of complaint regarding the present traffic rates, which are not unduly high for a privately owned branch line, possessing grades and curves such as this one does, and worked as this one has to be.

It is an axiom amongst railwaymen that country within fifteen miles of a railway is served by that railway, and judged by that standard practically all the settlers are served by the Government railway at Putaruru. In other words, the settlers, without the company's tramway at all, are quite as well off as thousands of other settlers in New Zealand, and if the company's tramway serves them at all they are that much better off than the other settlers referred to.