

This reduction in the number of classes has had the effect of bringing the railway tariff more into line with the requirements of present-day trading conditions and, incidentally, stabilizes the rates on a lower average level.

By stabilizing the rates in this way many inequalities and anomalies have been automatically removed. Unfortunately, the conditions obtaining in the transport industry during the past decade have prevented the stabilization of the tariff along the lines just referred to, as the various scales of charges have had to be adjusted from time to time to counteract the effect of intensive and uneconomic road competition.

This in turn produced a lack of balance in the transport costs for similar services as between the different trading centres. In some instances, too, trading interests have benefited by what has been a fortuitous reduction in transport costs because of this acute competition. While the position so created was naturally availed of by those who were so fortunately placed as to be able to take advantage of these highly competitive rates, opposing interests in other areas did not enjoy the same advantages because of the absence of what was really "cut-throat" competition in the latter mentioned districts.

The simplification of the tariff and the stabilization of rates in certain cases involved the removal of local rates. Though this brings about an increase in freight charges on merchandise between certain points, the increase is very largely, if not entirely, offset by the general application of the lower standard rates.

Simply stated, goods previously carried at the two highest rates (namely, A and B) are now carried at the next lower rate (namely, C), and this position, generally speaking, will obtain throughout New Zealand.

EFFECT OF STABILIZATION.

For the purpose of comparison the following table will give an indication of the effect of the stabilization of the general merchandise rates :—

Distance, Miles.	Present Rate, per Ton.		New Rate, per Ton, Class C (including A and B).
	Class A.	Class B.	
	s. d.	s. d.	s. d.
30	30 10	26 3	22 6
60	55 9	47 3	40 6
100	76 0	63 6	51 9
200	106 10	85 5	67 6
300	132 6	102 0	80 6
400	158 2	114 10	93 3

Though the new tariff benefits ordinary merchandise goods as indicated, there are, of course, certain articles of a light, bulky, or exceptional nature, and goods which require special handling or transport, which continue to bear a somewhat higher rate than Class C.

BENEFIT TO INDUSTRY.

Secondary industries in particular will benefit materially from the operation of the new freight schedules, which are so based as to facilitate the wide-range distribution of their products. In view of the present and prospective developments in the field of secondary production it is satisfactory to record that principals of important manufacturing industries have expressed their approval of these adjustments, as have many chambers of commerce and local bodies.

What has been done is in line with the most advanced thought in transport rating in other countries, and producers and the business community alike have welcomed this new and equitable rearrangement of the railway tariff.