

REPORT ON THE RATES FOR THE

CONVEYANCE OF GOODS, MINERALS AND

MERCHANDISE.

RATES ADVISORY COMMITTEE.

MINISTRY OF TRANSPORT.

REPORT ON THE RATES

FOR THE

CONVEYANCE OF GOODS, MINERALS AND MERCHANDISE.

Presented to Parliament by Command of His Majesty.



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Report on the Rates for the Conveyance of Goods, Minerals and Merchandise.

RATES ADVISORY COMMITTEE,
MINISTRY OF TRANSPORT,
WHITEHALL, S. W. 1.

To the RIGHT HON. SIR ERIC GEDDES,
Minister of Transport.

THE RATES FOR THE CONVEYANCE OF GOODS, MINERALS AND MERCHANDISE.

SIR,

WE, the Rates Advisory Committee set up under Section 21 of the Ministry of Transport Act, 1919, received your Memorandum of Reference stating that you had determined that an increase in the net revenue of the Railways of the United Kingdom from the conveyance of Merchandise, Animals and Carriages by Goods Train, and of Merchandise by Passenger Train, of not less than £45,000,000 per annum, is necessary, and desiring us to advise as to the best methods of obtaining such increased revenue from the different classes of traffic, having due regard to existing contracts and the fairness and adequacy of the methods to be adopted, also calling our attention to the case of trucks supplied by railway companies, where there is no obligation to provide such trucks, and desiring us to advise upon the question of increasing the charges for the use of trucks supplied in such circumstances and upon the scale of any such increase. On the 10th December, 1919, we received a further Memorandum stating that an additional sum of £5,000,000 was required, and asking us to advise you in regard thereto.

We understood that the question of providing the above-mentioned sum of £45,000,000 and the further £5,000,000 was urgent, and that it was in the national interest that a report from us containing the desired advice should be made at an early date, and we came to the conclusion that time would not allow of a detailed consideration of the very large number of separate charges or a revision of the Railway Classifications, which would in all probability occupy a year or longer, and we are accordingly of opinion and advise that an interim revision of rates upon general lines, upon a more or less uniform basis, ought to be made and brought into operation at once, while a much more elaborate consideration of the principles governing railway rates for goods traffic, and the classification of goods for the purpose of such rates, should be postponed until next year.

It was obvious from the first that the facts and figures necessary for estimating the effect upon revenue of any changes we might recommend were only to be obtained from the Ministry of Transport, or from the railway companies, and that much time would be saved if, in the first instance, proposals which we could consider were made by those in possession of such facts and figures. We therefore gladly received from you a Schedule containing such a proposal, and setting out in figures the results which might be anticipated from such proposals. We have also received through your Ministry various subsidiary information and suggestions upon matters not included in such Schedule.

We have received from Mr. Pike of your Ministry valuable information and explanations, and from Mr. Marriott, the Goods Manager of the Lancashire and Yorkshire Railway, and from Mr. Selway, Superintendent of the Line, Great Northern Railway, (who were nominated by the Railway Executive Committee for the purpose), other detailed information and explanations. We have also conferred with representatives of the Trading Community and Agriculture, whose names are set out in the Schedule annexed hereto, marked A. We invited representatives of Labour to attend, but they did not do so. The gentlemen who appeared were nominated by the representative bodies whose names are mentioned in that Schedule, and may be considered as fully qualified to express the views of the "Traders."

In these circumstances we considered it unnecessary and undesirable to give public notice of the date when and the place where we could enquire into the matter, or to hear persons affected by the proposed revision of rates other than those already mentioned, considering that in the case of such general and uniform revisions as were proposed individual interests were not separately concerned, and that the holding of a public enquiry and an invitation to persons affected to make representations would cause delay and confusion. When at a later date we come to deal in detail with the rates and classifications, other considerations will apply, and we will reconsider the question of holding an enquiry in public, and as to what persons or classes of persons shall be heard.

We are of opinion and advise that the existing classifications as put into practice under the General Railway Classification of Goods by Merchandise and Passenger Trains should be maintained for the purpose of the present interim revision of rates and that the increases in rates should be made in part by percentage increases and in part by flat rate additions in the manner hereinafter set forth, with the exceptions and qualifications herein mentioned. Where in this report we refer to classes by letter or by number, it is to be understood that we refer to the classes defined in the said General Railway Classification, as they are for the time being in operation upon the respective railways, and that we intend that the respective increases recommended should apply in accordance with the class in which any merchandise is in fact now included for the purpose of fixing the rates at present in force, and that the increased rates should apply with the conditions now attached thereto, *e.g.*, those owner's risk or company's risk.

Section 21,
Sub-Section 3
Ministry of
Transport
Act, 1919.

We carefully considered the question whether the increase in the rates should be by way of percentage only, or by way of flat rate in addition to a percentage. It was represented to us and we were satisfied that the great increases of cost in the management and conduct of the railways fall relatively more heavily upon short distance traffic than upon long distance traffic, and that the latter is more remunerative to the railway companies than the former. To adopt a percentage increase only would put upon the long distance traffic a disproportionate share of the increased cost of shunting, handling and cartage, seeing that the long distance traffic carries higher actual rates. We accordingly are of opinion and advise that flat rates of small amount should be imposed in addition to a percentage increase (which will have the effect of increasing short distance rates in a greater proportion than long distance rates) and that in addition an extra charge should be made upon rates which include collection and delivery, deeming this right in consequence of the very great increase which has taken place in the expense of cartage.

We also considered whether the increases should be uniform in the amount of the flat rate and in the percentage to be charged upon the respective classes of traffic, and came to the conclusion that this should not be so, but that the higher classes of goods should in fairness bear both a higher flat rate and a higher percentage of increase than the lower classes of goods. As an instance we may point out that the value of iron ore carried at Class A rates often does not exceed 10s. a ton, while the value of cotton carried at Class 1 rates is at present £200 per ton, and even at pre-war prices was £80 per ton. We found that the view put forward meets with the approval of the great majority of the representatives of the "Traders" whom we consulted. Effect is given to this view in our recommendations.

Our recommendations are set out below, and we have appended a table, marked B, showing the figures for the increase in money which we are advised may be anticipated from the respective increases, amounting in the aggregate to £49,630,372. We enquired whether it was to be anticipated that the proposed increase in the rates charged would result in a diminution in the volume of the goods carried and a consequent diminution in receipts, but we were advised that, in existing circumstances, it is not probable that there would be any appreciable diminution in Great Britain (though a diminution of 10 per cent. has been suggested by the Irish Railway Executive as probable in Ireland); this accords with our own opinion, and we accept this view for the purposes of the present report, although we do not overlook the fact that, in a few years time, circumstances may have changed, trade may be less vigorous, competition by sea and canal may have revived, and competition by road may have increased. If this should prove to be the case, the situation will have to be reconsidered at a future date.

We have already submitted to you our advice upon the question of the charges for demurrage, and we propose, when in possession of the necessary materials, to submit to you our advice upon the question of siding rent and services rendered to traders either

free or at a nominal charge, full particulars of which have not yet reached us. We note that alterations in these respects hereafter to be made may produce an additional revenue of about £250,000.

Before setting out our recommendations, we make some comments upon particular matters which have been brought to our notice or specially considered by us:—

(A.) *Irish Railways.*

The position of Ireland requires special consideration. It appears from the figures supplied to us that the deficiency in Ireland amounts to approximately £2,500,000, even after taking into account certain increases in rates which have already been made, and it is estimated that the loss from the cessation of Government traffic will be a further £336,500, while it is calculated by the Irish Railway Executive that the proposed increase in rates will result in a diminution of traffic which will represent a loss of revenue of £209,900, in which case the total deficiency will be over £3,000,000. This is relatively much greater than in Great Britain, and it follows that increases in rates in Ireland on the same basis as in Great Britain will not restore the railways of the former country to a solvent position. This raises a question of much importance, viz., whether it is desired to put the railways in each portion of the United Kingdom into a satisfactory financial state or whether it will suffice if the required sum of £50,000,000 is raised without regard to the area from which the money is to be drawn. In some measure the answer to this question depends upon the future policy to be adopted in regard to railways generally, as to which it is recognised that no immediate declaration can be made. If the future policy is to be unification of all railways, it is not of so much importance whether the respective railways are producing sufficient to pay working expenses and a fair return upon capital as if the future policy is to be either the restoration of each railway to the company owning it, or the grouping of various railways together. If the last-named policy is adopted, presumably Irish railways would not be grouped with any British railways, and accordingly the problem of the solvency of Irish railways would be the same whether this method is adopted or the railways in Ireland are restored to their respective owners.

As above indicated, to render the Irish Railways either collectively or individually solvent will require a greater relative increase in rates than in the case of railways in Great Britain, and we are advised that if this is to be effected there would be required a general increase, which if divided between passengers and goods would be not less than 75 per cent. on each class of traffic as compared with pre-war rates, or, if confined to merchandise and goods, would be not less than 113 per cent. as compared with pre-war rates.

For the purpose of our recommendations, we have assumed that it is only necessary for us to give advice as to how £50,000,000 may be raised within the United Kingdom, and we have accordingly not made provision for bringing the Irish railways back to a condition of solvency when considered separately, but, having

regard to the situation above described, we advise that the increases recommended should be upon the rates now in force, *i.e.*, after the increase of 10 per cent. made in the year 1917 has been added, and not upon the pre-war rates.

It is to be noted that, by reason of certain provisions in its Acts, the Great Southern and Western Railway Company has not been made subject to the increase of 4 per cent. in rates which was imposed in 1913 for other railways in the United Kingdom, nor to the increase of 10 per cent. in rates brought into force in 1917 on other Irish railways. It would be desirable that this company should be brought into line with the other Irish railways, but there is difficulty about effecting this as other railway companies have adopted low rates where they were in competition with the Great Southern and Western Railway Company, and it seems best that this should be deferred until the general and detailed revision of rates, to be made later.

A further matter affecting Irish railway rates is the question of through rates to and from Great Britain, including the problem of the allowances for the Cross-Channel Service. In regard to the latter, various surcharges have already been authorised mainly by the Board of Trade under the Defence of the Realm Act, with a view of enabling the shipping companies not connected with the railways to continue their services. These, as regards traffic between England and Ireland, are as follows:—Goods and minerals, 15s. per ton, horses and mules, 15s., cattle and calves, 7s. 6d., pigs, sheep and goats, 3s., lambs and other small animals, 1s. 6d., per head.

Upon the making of the increases in the through rates herein recommended, it will, in our opinion, be necessary and proper to make reductions in these surcharges to an extent corresponding to the amount by which the portion of the through rates attributable to the sea transit is increased under our recommendations. These reductions should in our opinion be as follows:—

The surcharge on goods and minerals should be reduced from 15s. to 10s. That on horses and mules from 15s. to 10s. That on cattle and calves from 7s. 6d. to 5s. That on pigs, sheep and goats from 3s. to 2s. That on lambs and other small animals from 1s. 6d. to 1s.

The surcharges in the case of traffic to and from Scotland and Ireland were higher than those to and from England and Ireland, and should be reduced as may be agreed between the railways and the shipping companies interested.

(B.) *Other Traffic including Transit by Sea.*

Questions will arise also in regard to through rates for the carriage of goods between England and the Continent, and between England and the Channel Islands. A memorandum upon these matters was submitted to us, but it raised points upon which much further information was required, and came to our hands only upon December 10th, 1919. We have not thought it right to delay our report for the purpose of investigating this matter and reporting thereon:

(C.) *Rates affected by Competition by Water.*

It was brought to our notice that many rates have been fixed exceptionally low by reason of the competition which existed before the war between the railways and carriers by water, *i.e.*, both by sea and by canal, and we took note of the fact that, by reason of the great increase in the cost of carriage by water, the latter form of competition has ceased to operate, so that there is now no occasion for the low railway rates, while the fact of the existence of such low rates has the effect of diverting to the railways traffic which was formerly carried by water and ought still, in the interests of the nation, to be so carried, and the further effect of causing an undue congestion in docks and warehouses and upon the railways. We anxiously considered whether any revision of rates could be effected to mitigate or abolish this undesirable state of things. We, however, came to the conclusion that only the overhauling of a very large number of individual rates could cure this evil, particularly having regard to the fact that it is not only between seaport and seaport that the pre-war competition caused a reduction in rates, but the same effect was produced in regard to the carriage of goods to and from places in the neighbourhood of, or even at some distance from, such seaports, *e.g.*, the rates for wool traffic from London to Bradford are affected by the pre-war competition, by sea, by vessels trading between London and the Humber ports. We therefore reluctantly came to the conclusion that we cannot deal with this anomaly at this stage.

(D.) *Agriculture.*

Our attention was called to the importance of not making any recommendations which would prejudicially affect agriculture and the supply of home-grown food and we have given careful attention to this problem, taking counsel with the representatives of that great industry. The difficulties of making recommendations on this point are great, seeing that very few articles are solely used by farmers and agriculturists, and that even agricultural produce at an early stage becomes an ordinary article of commerce in which the trader rather than the farmer is interested. We have, however, made certain recommendations as to modification in regard to increase in the case of traffic in which the agriculturist is specially interested. One of the many difficulties by which we were faced was the fact that almost all forms of agricultural produce are imported as well as home-grown, and that it is well nigh impossible to distinguish in the matter of rates on the ground of the place of origin of the goods carried.

We note particularly that during the war land under cultivation suffered heavily from the shortage of fertilisers and manures, and we are of opinion that a policy which will assist in making good this deficiency will be advantageous both in increasing the supply of home-grown foods and in adding to the bulk of produce which will be carried by the railways and provide them with revenue.

(E.) *Existing Contracts.*

These may be of two classes (a) contracts either with or without statutory sanction between railway companies and traders ~~for~~

carriage of goods at specially favourable rates, and (b) contracts between traders and traders for the future delivery of goods carriage paid.

As regards the former, *i.e.*, contracts between railway companies and traders, we conceive that they are governed by Section 3 of the Ministry of Transport Act, 1919, of which the relevant provisions appear to be—Section 3, Sub-section 1 (c) providing that the Directors of the Companies shall obey the directions of the Minister as to (1) the rates, fares, tolls, dues and charges to be charged, and sub-clause (e) any such rates, fares, tolls, dues and other charges directed by the Minister shall be deemed to be reasonable, and may, notwithstanding any agreement or statutory provisions limiting the amount of such charges or increases therein, be charged in respect of any undertaking.

There seems to us to be no doubt that the direction of the Minister will over-ride agreements and statutory provisions, while sub-section (2) provides that *subject as aforesaid* any agreement between the owners of the undertaking and any other person shall continue in force, but any person who by virtue of any such statutory provision or agreement is entitled to the benefit of any special rate, fare, toll, due or other charge and whose position *relatively to other persons* is prejudiced by any direction of the Minister altering such special charge shall be entitled to compensation. We understand this last cited provision to mean that the person entitled by agreement or statutory provision to any special rate, &c., is not exempted from liability to have the rate, &c., increased under a direction of the Minister and that he is not entitled to compensation unless his position is prejudiced *relatively to other persons*. If effect is given to our recommendations and the rates, &c., charged to persons entitled to special rates are increased in the same proportions and manner as the rates charged upon other traders it appears to us that such persons will not be prejudiced *relatively to other persons* and we accordingly advise that no distinction should be made in the case of such persons, but that the additional flat rate and percentage increase recommended by us should be charged upon them in the same manner as upon other traders, considering that these increases being due to an all-round increase in the cost of services are fair in their case as well as in that of traders generally.

As regards contracts made between traders and traders for the future delivery of goods carriage paid, we are aware that many such contracts exist, usually not extending beyond three or six months, but in some rare cases extending to a year or even more. In some of such cases, provision has been included in the contracts for an increased payment in the event of an increase in rates, but in other of such cases, no such provision is included. We are of opinion however that it is not possible to make exceptions in the case of such contracts. It is one of the well-known risks of forward contracts that increases in rates of carriage as well as in cost of production may take place, and such increases might have occurred up to the maxima provided by the Railway Rates and Charges Order Confirmation Acts, 1891 and 1892, even if the Ministry of Transport Act, 1919, had not become law; while, since the date when the last-mentioned Act came into force (15th

August, 1919), all traders had notice that an increase in rates was probable, and even before that date any prudent trader must have realised that fresh legislation was possible and indeed probable. We are of opinion and advise that no exceptions or exemptions should be made in the case of forward contracts or, if the Minister should decide to make any exceptions, they should be made only in the case of contracts entered into before the 15th August, 1919, for the delivery of goods carriage paid after the date upon which the increased rates and charges now contemplated come into force.

It was suggested to us that it would be right to direct that the increased rates should not be charged where the forwarding notice is in the hands of the railway company before publication of the notice of the increases and we approve of this suggestion.

Some of those we have consulted have suggested that traders who have made forward contracts, carriage free, should be entitled to charge any increase in rates which falls upon them to the purchaser, notwithstanding the terms of the contract. This would require an Act of Parliament and we see no sufficient reason for delaying putting the proposed increases into operation, pending the consideration of this very debatable suggestion by Parliament.

(F.) *Goods by Passenger Train.*

The problem of the increases to be made in the rates for the carriage of goods by passenger train differs somewhat from that as to merchandise by goods train. Already in the years 1916, 1918 and 1919, increases had been made in some of the rates as follows:—

	<i>On an Average.</i>
1. In the general parcels scale ...	20 per cent. in 1918.
2. In the owner's risk scale of rates	24 per cent. in 1918.
3. On sewing machines, bicycles, bath chairs, &c.	53 per cent. in 1919.
4. On caravans	45 per cent. in 1919.
5. On bullion and specie	80 per cent. in 1919.
6. On carriages	80 per cent. in 1919.
7. On motor cars	60 per cent. in 1919.
8. On motor cycles, motor tricycles	33½ per cent. in 1919.
9. On horses and mules	25 per cent. in 1916.
10. On live stock in guard's van	20 per cent. in 1919.
11. In cartage charges on S. to S. traffic	33½ per cent. in 1919.

Of the traffic by passenger train the great bulk falls under five heads:—

1. and 2. General parcels and owner's risk rates	55 per cent. of total.
3. Milk	7½ per cent. of total.
4. Perishable goods exceptional and special rates	27 per cent. of total.
5. Newspapers	5 per cent. of total.

94½ per cent.

A Schedule was submitted to us by the Railway Superintendents showing proposals under 25 headings for varying rates of increase which it was said would remove many existing anomalies. We however considered that it would not be of advantage to deal with such proposals at the present time and decided to recommend a uniform rate of increase for all this traffic (subject to certain modifications in regard to agricultural produce appearing below). We considered whether such increase should be upon the existing rates (*i.e.*, after the increases made since the commencement of the War) or upon the rates in force before those increases were made. We were, however, advised that those increases had removed many anomalies and that to return to pre-war rates as the basis of increase would restore such anomalies, and we accordingly advise that the increase which we recommend should be made upon the rates now in force but should be at a lower rate than we should have recommended had the increase been based on pre-war rates.

A suggestion was made that all rates for goods at owner's risk should be increased so as to be 25 per cent. less than goods sent at companies' risk, thus removing many anomalous differences which we were told ranged from 17½ to 50 per cent. There is much to be said for making owner's risk rates bear a uniform relation to companies' risk rates, but it would require a prolonged investigation to determine whether owner's risk rates should be levelled up or companies' risk rates levelled down, and whether any exceptions should be made, and we decided that the question should be postponed.

So far as we can learn, our proposal to increase the rates for goods by passenger train will be sufficient to prevent the transfer of traffic from goods trains to passenger trains. We are recommending elsewhere in this report that the charge to His Majesty's Post Office for the carriage of packets sent by parcel post should be increased. If this should result in the Post Office increasing the parcel post rates, we do not think that the present relation of the one set of rates to the other will be upset.

RECOMMENDATIONS FOR THE WHOLE OF THE UNITED KINGDOM.

We advise and recommend that the rates and charges which are at present in force, whether the same be ordinary, special or exceptional rates and charges, be increased subject to the existing conditions attaching thereto to the following extent:—

(1) The rates and charges in respect of merchandise comprised in Class A as regards coal, coke and patent fuel, by 25 per cent., and as regards other goods and minerals in Class A by 30 per cent., together in each case with a flat rate addition of 3*d.* per ton, irrespective of distance, but so that the minimum addition under both heads be not less than 6*d.* per ton and the maximum addition be not more than 2*s.* per ton.

(2) The rates and charges in respect of merchandise comprised in Class B by 40 per cent., together with a flat rate addition of 3*d.* per ton, irrespective of distance, but so that the minimum addition under both heads be not less than 6*d.*, and the maximum

addition be not more than 3s., per ton, but with the further addition for cartage in case of collection and delivery hereinafter mentioned.

(3) The rates and charges in respect of merchandise comprised in Class C by 50 per cent., together with a flat rate addition of 6d. per ton, irrespective of distance, and with the further addition for cartage in case of collection and delivery hereinafter mentioned.

(4) The rates and charges in respect of merchandise comprised in Classes 1 to 5 by 60 per cent., with a flat rate addition of 1s. per ton, irrespective of distance, and with the further addition for cartage in case of collection and delivery hereinafter mentioned.

We also advise and recommend that where the rates and charges include collection and delivery or collection or delivery the respective percentage increases and flat rate additions should be made upon the whole of the rate or charge, but in addition thereto, there should be charged a further amount of 1s. 6d. in the case of collection only, or of delivery only, and of 3s. per ton in the case of collection and delivery, but that the rebates allowed in cases where a rate includes collection and/or delivery, but such collection or delivery is not in fact effected by the railway company should be equitably readjusted.

We further advise and recommend, in regard to the rates and charges at present in force,

(5) That the charge for rolling stock as set out in the General Railway Classification be increased by 60 per cent.

(6) That the rates and charges for live stock conveyed by goods train at rates "per truck" should be increased by 60 per cent., together with a flat rate addition of 1s. per truck or part truck, irrespective of distance.

(7) That the rates and charges for live stock conveyed by goods train at "head" rates should be increased by 60 per cent. in the case of horses, mules, asses, cattle, calves, sheep, lambs, pigs, goats and all other live animals.

(8) That the charges for the use of trucks provided by the railway companies for the conveyance of merchandise, when the provision of trucks is not included in the rate charged for conveyance, should be increased by 50 per cent., but so that the minimum total charge be not less than 9d. per ton.

(9) That the rates and charges for the conveyance by goods train of carriages of every description included in the carriage class in the General Railway Classification (not being a carriage adapted and used for travelling on the railway) and for vans and caravans should be increased by 60 per cent., with a flat rate addition in the case of vans and caravans, irrespective of distance, of 2s. 6d. per vehicle.

(10) That the rates and charges for the conveyance of "small parcels by merchandise train" as defined by Part VI of the Railway Rates and Charges Order Confirmation Acts, 1891 and 1892, be increased to such an extent that the rates chargeable shall be 100 per cent. greater than the rates now charged under the general Railway Classification of Goods "Scale of Charges for Small Parcels by Merchandise Trains," but in other respects remain subject to the provisions of the said Part VI.

This will involve the recasting of tables on pages 500 to 510 of the General Railway Classification of Goods, 1919, bearing in mind that our previous recommendations will already have subjected the traffic in question to a higher tonnage charge.

(11) That the rates and charges for the conveyance whether by goods train or passenger train of "Returned Empties" be increased by 100 per cent. with the provision that where the "Returned Empties" are sent in consignments amounting to a truck load, the increase shall be only 50 per cent. when consigned from one consignor to one consignee.

(12) That the present rates and charges for parcels and goods by passenger train, including perishable merchandise of the nature specified in Part V of the Railway Rates and Charges Order Confirmation Acts, 1891 and 1892, be increased by 50 per cent., subject to the exceptions and qualifications hereafter mentioned, and that the charges for cloak room services for parcels be increased so that the minimum charge be 2*d*.

(13) That the arrangements with H.M. Postmaster-General for the division of the receipts for goods sent by parcel post be so modified that the railway companies receive 55 per cent. of the total of such receipts, including the increased receipts under the revised rates for parcel post adopted in 1915. If necessary, legislative authority should be obtained to modify the provisions of Section 2, Sub-section 2 of the Post Office and Telegraph Act, 1915, which excludes from the operation of the Post Office Parcel Act, 1882, any increase in the rates of postage for parcels made after the passing of the Act of 1915.

(14) That the contracts with H.M. Post Office for the conveyance of mails should be revised so that the charges made by the railway companies should be increased by 60 per cent. The recommendations numbered 13 and 14 may no doubt make necessary certain re-adjustments of postal rates by the Postmaster-General which may require Parliamentary sanction, and it may be necessary to delay carrying them into effect until these are made.

(15) That any rates and charges for the conveyance of goods or merchandise whether by goods train or passenger train not included in the foregoing recommendations should be increased by 60 per cent.

(16) In regard to the rates and charges for the conveyance of the goods and merchandise hereinafter mentioned, notwithstanding anything contained in the foregoing recommendations, we advise:—

- (a) That no increase be made on the rates and charges in respect of manure in bulk or packed manure, basic slag or lime for agricultural purposes.
- (b) That the rates and charges for the conveyance by passenger train of fruit, vegetables, eggs, butter, cream, soft cheese and poultry, but not including hot house produce, be increased by 25 per cent. only.
- (c) That the rates and charges for the conveyance by goods train of potatoes in Class C, vegetables and roots in Class C, fruit, and hay and straw, in lots of two tons and upwards, be increased by 25 per cent. only, plus the flat rate and cartage charges above recommended,

the rates and charges for consignments of less than two tons being increased in the manner hereinbefore recommended for the respective classes in which they fall.

- (d) That no increase be made in the rates and charges in respect of milk.

Conclusion.

We recommend and advise that the increases proposed above should be brought into operation at the earliest date possible, but that an intimation should be made publicly that a general revision of the rates and charges for the carriage of goods by railway will be undertaken at an early date.

We also request you, if you determine upon such a general revision, to cause to be prepared by competent experts, suggestions for a complete and thorough revision both of the principles of fixing rates and of the classification of merchandise, and, as we realise that the preparation of such suggestions and of the necessary schedules will take much time, we venture to urge that you shall press for the work to be commenced at once and carried forward with the utmost expedition.

16th December, 1919.

F. GORE BROWNE.
 WALTER W. BERRY.
 W. J. DAVIS.
 W. A. JEPSON.
 L. A. MARTIN.
 W. M. ACWORTH.

SCHEDULE A.

PARTICULARS OF CONFERENCES.

19th November, 1919.—Representatives of the Mining Association :—

Mr. Evan Williams (President).
 Sir Adam Nimmo, K.B.E. (Scotland—Vice-President).
 Mr. C. B. Crawshaw (West Yorkshire—Vice-President).
 Sir Frederick Jones (Yorkshire).
 Sir Thomas R. Ratcliffe-Ellis (Secretary).

20th November, 1919.—Representatives of Trade :—

Mr. A. E. Bond (Birmingham Chamber of Commerce).
 Major-General Long (British Federation of Industries).
 Mr. P. Macgregor (Sheffield Chamber of Commerce).
 Mr. G. A. Mitchell (Glasgow Chamber of Commerce).
 Mr. J. Paynter (London Chamber of Commerce).
 Mr. R. W. Royle (Manchester Chamber of Commerce).
 Mr. W. Simons (Iron and Steel Federation).

25th November, 1919.—Representatives of Agriculture :—

Mr. W. G. Lobjoit } (Central Chamber of Agriculture).
 Mr. W. J. Cumber }
 Mr. A. E. K. Wherry (National Association of Corn and Agricultural
 Merchants).
 Mr. G. Major } (National Farmer's Union).
 Mr. B. W. Goodman }
 Mr. C. W. Tindall } (Royal Agricultural Society).
 Mr. T. McRow }

26th November, 1919.

Mr. G. Locket, representative Coal Merchant (of Messrs. Locket & Judkins,
 London).

SCHEDULE B.—Sheet I.

INCREASE OF RATES.

PARTICULARS AS TO THE ESTIMATED INCREASE TO BE DERIVED FROM THE VARIOUS CLASSES OF TRAFFIC.

COAL, COKE, AND PATENT FUEL (EXCLUDING LOCOMOTIVE COAL).

(Increase of percentage plus 3d. per ton, minimum addition 6d. per ton, maximum addition 2s. per ton.)

			Percentage Increase. £	Flat Addition. £	
Up to and including 1s. per ton	...	...	...	...	1,463,748
Exceeding 1s. per ton and not exceeding 7s. per ton	...	...	...	...	1,640,693
Exceeding 7s. per ton	...	...	...	...	995,687
					8,442,765
GOODS MINERAL AND LIVE STOCK TRAFFIC (EXCEPT COAL, COKE AND PATENT FUEL, AND TRAFFIC CARRIED "FREE").					
Class.					
A. Station to Station	...	30% plus 3d. per ton, minimum addition 6d. per ton, maximum addition 2s. per ton	1,156,250	401,462	1,557,702*
B. Station to Station	...	40% plus 3d. per ton, minimum addition 6d. per ton, maximum addition 3s. per ton	1,674,086	291,210	
Collected or Delivered	...	40% plus 3d. per ton, minimum addition 6d. per ton, maximum addition 3s. per ton	47,861	4,859	
at one end only.	...	plus 1s. 6d. per ton for cartage	...	29,156	
Collected and Delivered	...	40% plus 3d. per ton, minimum addition 6d. per ton, maximum addition 3s. per ton	4,555	326	
	...	plus 3s. per ton for cartage	...	3,908	
C. Station to Station	...	50% plus 6d. per ton	7,464,574	881,392	
Collected or Delivered	...	50% plus 6d. per ton	187,589	17,138	
at one end only.	...	plus 1s. 6d. per ton for cartage	...	51,414	
Collected and Delivered	...	50% plus 6d. per ton	166,035	10,685	
	...	plus 3s. per ton for cartage	...	64,108	
1-5 Station to Station	...	60% plus 1s. per ton	2,762,323	335,585	
Collected or Delivered	...	60% plus 1s. per ton	2,222,220	195,239	
at one end only.	...	plus 1s. 6d. per ton for cartage	...	292,859	
Collected and Delivered	...	60% plus 1s. per ton	11,634,636	805,316	
	...	plus 3s. per ton for cartage	...	2,415,949	
Railway Vehicles and Railway Trucks.	60% plus Tonnage increase estimated at 7 Tons per Vehicle or Truck	...	91,759	22,775	20,664,127
Live Stock at Rates "per truck"	60% plus 1s. per truck or part truck	...	542,474	44,957	114,534
Live Stock at "Head" rates—					
Horses, Mules, Asses, Cattle and Calves.	60%	...	70,793		
Sheep, Lambs, Pigs and Goats	60%	...	35,537		
					106,330
			32,403,279	9,968,456	42,371,735

*There are no data available to show what proportion would fall to be charged on "A" Traffic at the minimum of 6d. per ton or maximum of 2s. per ton, or on "B" Traffic at the minimum of 6d. per ton or maximum of 3s. per ton. To approximate the additional revenue 12½% of the increase at 30% plus 3d. per ton on "A" Traffic and 25% of the increase at 40% plus 3d. per ton on "B" Traffic has been deducted.

SCHEDULE B.—Continued.

Sheet 2.

ESTIMATE OF THE ADDITIONAL REVENUE TO BE DERIVED FROM THE
PROPOSED INCREASES FROM ALL SOURCES.

	£	£
Total as per details shown on Sheet 1		42,371,735
Returned Empties (100%) :		
60% already accounted for in Sheet 1. Remaining 40%	400,000	
Less for empties in truck loads from one Sender to one Consignee (50%)	100,000	
		300,000
“Smalls” (100%) :		
60% already accounted for in Sheet 1. Remaining 40%		1,384,800
Wagon Hire (50%)		70,000
Irish Traffic similarly increased as in Sheet 1 (approximately)		1,500,000
Goods by Passenger Train (50% on existing rates, including Milk)... ..		4,421,574
Mails for whole of United Kingdom (60%)		770,537
Increase if Postmaster General pays over 55% of whole amount received for Parcels Post (Rail-borne)		380,000
		380,000
TOTAL REVENUE, FROM ALL SOURCES		£51,198,646

There may be an additional sum of about £200,000 to be derived from the withdrawal of services rendered without payment.

It will be necessary to deduct the amount shown on Sheet 3 as the reduction in revenue caused by the Concessions recommended in regard to Agriculture, which exceeds £1,500,000.

Sheet 3.

ESTIMATE OF THE REDUCTION IN THE REVENUE TO BE DERIVED FROM THE
RATES RECOMMENDED AS SHOWN ON SHEETS 1 AND 2 BY REASON OF THE
REDUCTIONS ADVISED IN RECOMMENDATION NO. 16 IN RESPECT OF
AGRICULTURE.

	Reduction. £
<i>Traffic by Passenger Train :</i>	
Rates for Fruit, Vegetables, Eggs, Butter, Cream, Soft Cheese and Poultry, not including Hothouse Produce, by Passenger train, increased by 25% only	214,320
No increase in rates for Milk	293,114
<i>Traffic by Goods Train :</i>	
Manure in Bulk, no increase. Amount estimated not to exceed ...	50,000
Manure packed, Basic Slag and Lime for Agricultural purposes. No increase	271,000
<i>Agricultural Produce as below in lots of two tons and upwards.</i>	
Increase 25% :	
Potatoes in Class C... ..	312,500
Vegetables and Roots in Bulk in Class C	50,000
Hay and Straw	377,340
Fruit... ..	not known
	£1,568,274

To the last figure must be added an amount for Fruit which the Railway Clearing House were not able to estimate.