

war, and during 1916 the deficiency became general throughout the country. A conference between the Minister of Munitions and Supplies, the Minister of Railways, the then General Manager of Railways, some of the principal men of business, and shipping representatives was held on the 19th December, 1916, resulting in an Advisory Committee of six being formed, of which the then General Manager of Railways was one. After this, by a war regulation dated the 5th February, 1917, a Committee of three, under the control of the Minister of Munitions and Supplies, called the "Coal Trade Committee," was established. The Committee was advisory only. The Minister of Munitions was the administrator of the coal regulation through the officers of his Department. By a regulation of the 28th August, 1917, the rationing of all coal-supplies—including the railways—came under his control. This became effective on the 4th October, 1917. The Minister did not regulate the purchase of coal or the rate of freights. He obtained offers of freights, but it was left to the General Manager of Railways to accept or refuse these offers.

There was not enough coal coming forward to properly meet all demands.

In the distribution of the coal available, the supplies of the Navy and for the transports and shipping carrying the troops and food-supplies for the Imperial Government necessarily would rank first, and could not be limited. Supplies for the railways and great producing industries, which are mutually inseparable, would come next. The interests of the whole community were concerned in this order of distribution.

On the 4th October, 1917, when the rationing of coal began under the Minister of Munitions, the Railway Department was required to render weekly returns of the stocks, and give constant notice of its requirements to the Minister of Munitions, and it did this regularly.

The Munitions Department's duties regarding coal-supplies were most onerous and complex. This question was largely governed by causes beyond the Department's control or observation—the naval and military conditions in Europe, the control of the available shipping by the Imperial authorities, the shortage of shipping throughout the world, diminished importation from Newcastle, diminished output from the West Coast mines, all added to the difficulty of pursuing any definite plans.

After examining the voluminous correspondence submitted to us, we can only conclude that the Coal Trade Committee and the Munitions Department gave the most careful and painstaking attention to their work. The Railway Department on several occasions refused offers of coal, sometimes because it was unsuitable, and sometimes because it would not pay the higher freight charges necessary to get the additional coal.

The final episode which seems to have led to the railway collapse was the influenza epidemic. Commencing in New Zealand at the end of October, 1918, it not only directly affected the mining population, but, by the prolonged quarantine regulations which were imposed first in New Zealand and immediately after in Australia, it dislocated the local as well as the overseas shipping to an unparalleled extent, and this difficulty continued to operate up to the date that the ordinary time-table had to be suspended for want of coal-supplies.

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MAY IT PLEASE YOUR EXCELLENCY,—

Regarding the matters specifically referred to us we find—

1. *The condition of the rolling-stock on the 2nd July, 1919.*

The evidence shows that the rolling-stock and engines were in good and efficient condition on the 2nd July, 1919.

2. *Whether such rolling-stock has been maintained in a good and efficient condition, and whether proper provision has been made for the upkeep and renewal thereof.*

The evidence shows that the rolling-stock and engines had been maintained in good and efficient condition, and that proper provision had been made for the upkeep and renewal thereof.