D.-2a.

3. Whether the number of engines, carriages, and wagons under repair on the 2nd July, 1919, was excessive.

The evidence shows that the number of engines, carriages, and wagons under

repair on the 2nd July, 1919, was not excessive.

4. Whether any Inspector or other officer having charge of rolling-stock and responsible for its condition has reported adversely on the condition and upkeep of the rolling-stock.

The evidence was to the effect that no Inspector or other officer responsible for its condition had reported adversely on the condition and upkeep of the rolling-stock

and engines during the last four years up to the 2nd July, 1919.

5. Whether the curtailment of train services made on the 2nd July, 1919, was due to the unsafe condition of the rolling-stock.

The curtailment of train services made on 2nd July, 1919, was not due to the unsafe condition of the rolling-stock or engines.

6. Whether an excessive number of engines, carriages, and wagons has been passed through the repair-shops since 2nd July, 1919.

The evidence shows that an excessive number of engines, carriages, and wagons had not been passed through the repair-shops since 2nd July, 1919.

7. Whether the curtailment of train services was brought about solely by shortage of coal, and what reserve stock of coal was held by the Department on the 2nd July, 1919.

The curtailment of the train services was brought about solely by the shortage The whole stock of coal held by the Department on 2nd July, 1919, was 9,560 tons, scattered over a great number of depots, and was quite insufficient to continue running the old time-table.

8. The causes to which the depletion, if any, of stocks of coal was due.

There was a great depletion of stocks from the end of October, 1913, with fluctuations to the 2nd July, 1919. The causes of the depletion were—the shortage of shipping, the shortage of miners, the diminished output of bituminous coal from the West Coast mines, the diminished importations of bituminous coal from Newcastle, strikes, the increased demand by the Navy for Westport coal, to a limited degree to diversions from railways to various industries, and to the refusals by the Railways to pay higher freights for overseas coals which external conditions justified. Finally, the influenza epidemic began about the end of October, 1918, to seriously affect the population of the Dominion, and later that of the Commonwealth of Australia, and severe quarantine regulations were rendered necessary throughout Australasia.

9. Whether proper diligence and foresight were exercised by the Railway Depart-

ment in obtaining coal-supplies to meet its requirements.

The railway coal stocks, which were 85,442 tons in October, 1913, fell with various fluctuations to 9,560 tons by 2nd July, 1919. During this period a conference between Ministers and others was held, and a Committee of six was set up on the 19th December, 1916, the General Manager of Railways participating. After that a Committee of three acted with the Minister of Munitions from 5th February, 1917, until 28th August, 1917, when Coal Trade Committees were set up. After 4th October, 1917, the Minister of Munitions rationed the railways and other consumers. This course was agreed to at the time by the Railway Department. It, in fact, requested the Minister of Munitions to bring his powers into force, because it considered it was not getting a sufficient share of coal from the West Coast mines. The Railway Department continued to make its own purchases. None of these efforts produced sufficient coal.

In the year ending March, 1918, the Railways reduced the time-tables by about 2,000,000 miles a year. After the Minister of Munitions undertook the rationing of coal on 4th October, 1917, the Railway Department commenced to make weekly

returns of stocks of coal and constant statements of requirements to him.

The General Manager of Railways refused to pay higher freights demanded by ocean steamers to make special trips to bring supplies to New Zealand, thus losing opportunities of supplementing railway supplies.

In respect that the General Manager refused to pay higher freights which were

reasonable, we do not think that he showed proper foresight.