

APPENDIX B.

MEMORANDUM BY THE GENERAL MANAGER OF THE NEW ZEALAND RAILWAYS ON CERTAIN MATTERS
SUBMITTED BY THE BOARD TO HIM.

1. THE profits made by the railways in regard to any particular class of traffic are not ascertained. The impossibility of keeping actual separate records of the cost of handling different classes of traffic, where traffic of all descriptions is dealt with on practically all trains, is obvious.

2. The practicability of running a mineral express train from Huntly to Marton :—

The question of the improvement of through goods services is one which is always before the Department, and where a regular business in train-loads is available between two particular stations the Department's practice is to provide a regular service to deal with it. It is only, however, where full train-loads can be obtained from one station to another that this practice can be carried into effect with due regard to economy of operation. In the case of a through mineral-train from Frankton Junction to Marton, there is not sufficient business between the two terminal points mentioned to provide a full train-load. While a mineral-train might be despatched from Frankton Junction fully loaded, the proportion of the load which would ordinarily be consigned to wayside stations between there and Marton is such that for a considerable portion of the journey the train would be running unprofitably unless the Department made provision (as it does) for other traffic to be lifted to compensate for the coal put off *en route*.

The distance from Huntly to Marton is 246 miles, and the existing services provide for coal traffic being carried between those points in twenty-seven, thirty, and thirty-nine hours respectively. These services compare favourably with services in any other part of the world for the handling of unperishable wayside traffic.

3. The railway consumption of coal :—

(a.) The Department's system of purchase of coal is by calling for tenders for the supply and delivery required for a period of one year. In cases where no tenders are accepted coal is purchased under special agreement as to quantity and price per ton.

(b.) The comparative steaming-values of different classes of coal can be determined only by exhaustive special trials; and owing to the exceptional conditions prevailing during recent years such trials have been temporarily discontinued, with the result that the data which is available does not accurately disclose the condition to-day, owing partly to certain classes of the coal being now off the market, and in other cases the quality of the seam having altered.

The Department has, however, satisfied itself of the relative values of available coal; and so far as railway-locomotive requirements are concerned the best results are obtained from Newcastle coals from approved mines in the Maitland district, such as Bellbird, Stanford Merthyr, Abermain, Aberdaire, Pelawmain, Neath, and Hebburn. Next in order come Westport, Westport-Stockton, Liverpool State Mine, Blackball, and Point Elizabeth State Mine. These are all bituminous coals. Among the lignite coals of New Zealand, Hikurangi, Kaitangata, Taupiri, and Waronui give the best results.

The Department has at different times also obtained supplies from Nightcaps, Taratu, Waipa, and Pukemiro.

(c.) The possibility of using a larger proportion of—

(i.) New Zealand coals: For many years past the Railway Department has utilized all the suitable New Zealand coal which it has been able to obtain. The quantity has, however, been insufficient for the requirements of the Railway Department, and it has of necessity had to import considerable quantities of coal from Newcastle in order to maintain its services.

(i.) In regard to the question of an increased use of small coal, this is a matter that has been under the consideration of the Department for some time, and at the present moment the Department has in hand the installation of a pulverizing plant with a view to experimenting in the consumption of coaldust. Should the experiment turn out successfully there is a prospect of the Department consuming a considerable quantity of the fine coal which is at present a waste product. The effect of such increase in the consumption of coal-slack would be to largely reduce the Department's requirements in regard to large screened coal.

4. The rate of freight charges for the carriage of coal, with special reference to—

(i.) Changes since 1914 and their dates: Very favourable low rates are provided by the Railway Department for the carriage of coal produced in New Zealand, as may be seen by reference to the Department's scale of charges. The only changes in the railage rates on the New Zealand railways since 1914 consist of two general increases of 10 per cent., which came into force on the 19th September, 1915, and the 25th November, 1917.

(ii.) The differences in the rates on different lines—*e.g.*, Picton-Blenheim, Lyttelton-Christchurch, and Invercargill-Bluff: The rates on the lines mentioned vary only in regard to the total distance covered. From Picton to Blenheim, eighteen miles, the rate on New Zealand bituminous coal is 3s. 5d. per ton, and on native brown coal 2s. 6d. per ton. Between Invercargill and Bluff, seventeen miles, the rates are 3s. 3d. and 2s. 5d. Between Lyttelton and Christchurch, seven miles, the rates are 2s. 6d. and 1s. 9d. The above figures are all exclusive of wharfage charges, and are subject to the two surcharges of 10 per cent., and 10 per cent. mentioned in the previous question.