RATES.

Questions of rating will remain in the General Manager's Office and be under his immediate jurisdiction. At the present time a committee of railway officials is analysing the local and general rates in force on the various sections of railway and inquiring closely into the local conditions prevailing. When the investigations have been completed the whole of the rates will be reviewed by the General Manager personally, with the object of bringing the rates into conformity with the existing conditions and removing where possible and expedient any anomalies that may be found to exist. The complexity of the question and the magnitude of the interests involved make it imperative to proceed with caution before disturbing the incidence of rating. I find the local conditions here, as elsewhere, are all in the direction of increasing the cost of traffic operations, and when the question of revision is finally considered it will probably be found necessary to advance certain rates, so as to maintain the financial equilibrium and obtain a fair return from the Government railways undertaking.

PROMOTIONS FROM SECOND DIVISION TO STATIONS.

With a view to offering additional opportunities to members of the Second Division to qualify for promotion to the First Division, it is proposed to earmark certain stations at which the outdoor work predominates, and fill them as far as possible from the ranks of the Second Division. Selection will be made from comparatively young, active, practical railway men (not necessarily the seniors on the classification) who have given evidence of possessing the qualifications for controlling and leading staff, and their work will be carefully watched. The appointments to this new grade will be purely experimental and strictly limited in the first instance, and it will depend entirely on the members themselves whether the experiment is extended or abandoned. The members chosen will, of course, be required to pass an examination in accounts, but from the fact that the accounting-work will be of less importance than the outdoor supervision the requirements of the examination will not be so severe as in cases where a greater amount of indoor work is involved.

ROLLING-STOCK.

In the matter of upkeep the condition of the locomotives, cars, and wagons and their equipment is most creditable. The types at present in the railway workshops and under contract in the country are suitable and satisfactory.

Locomotives.

The locomotive stock, however, includes a considerable number of engines of types that are obsolete—altogether unsuitable for existing requirements. They are deficient in power, and consequently costly to operate. Their low tractive power and inability to take what is now considered a fair load retard the movement of traffic, cause congestion, and add greatly to the difficulties inseparable from single-line working. Altogether some seventy-two engines of various types come within the scope of these remarks. It is imperative that thirty-three of these should be scrapped and replaced at the earliest possible moment: the balance (thirty-nine) being similarly treated as opportunity offers.

The present shortage of haulage-power embarrasses the Department to a considerable extent, and emphasizes the shortage of wagons. No expenditure could make the engines to which I have referred efficient for present-day working, and it would be false economy to spend any considerable amount of money in overhauling, reboilering, or converting them. The manufacture of locomotives in New Zealand is confined to the Addington and Hillside Workshops and private workshops of Messrs. Price Bros., Thames. Each of these workshops is at present going at full pressure building locomotives. The rate of output of new engines from this source is insufficient to keep abreast of the current requirements. In view of the seriousness of the position I am constrained reluctantly to recommend the importation of twenty locomotives from abroad, ten of these to be Class A superheated simple engines similar to the New Zealand Railways Class A type, ten to be of the Garrett type (articulated engines); if a contract for the Class A type is placed in America these engines can be delivered within a few months. A measure of relief of the existing pressure will thus be obtained at an early date.

The Garrett type of engine is manufactured in England, and my inquiries indicate that the makers cannot give delivery of the engines for at least eighteen months. The Garrett engine has been put to practical tests in other countries where the conditions and gauge are similar to those appertaining to New Zealand. The inclusion of the Garrett engine will afford an opportunity for obtaining valuable data which will be of service in connection with future building of locomotives in New Zealand workshops. The Garrett type is in use on the 3ft.-6in.-gauge lines in Australia, where they successfully haul heavy loads over 1-in-40 inclines with 5-chain curves. An officer of the New Zealand Railways Locomotive staff was recently sent to Tasmania to get practical insight into the working of these engines, and was very favourably impressed with their capabilities and the smoothness of their running on curves and gradients, as well as with the tractive force they developed. (See plate.)

A special feature of the Garrett locomotive is that its design admits of the greatest tractive effort being obtained with a minimum of axle-load. It is particularly flexible on sharp curves. Garrett engines will be very suitable for the New Plymouth and Ohakune Sections.

The engines now on order in the railway workshops are more than sufficient to keep the shops at Addington and Hillside going at full pressure for the next two years, and the contracts already let to the outside engineering firm will similarly keep their establishment employed for the same period. There is no reason to doubt that engine-building at the shops within the Dominion will not be continued at high pressure for a considerably longer period.