

1878.
NEW ZEALAND.

ESTABLISHMENT OF A RAILWAY WAGON COMPANY

(CORRESPONDENCE RELATIVE TO THE).

Laid on the Table by the Hon. Mr. Macandrew, with the leave of the House.

No. 1.

Mr. DAVIDSON to the Hon. J. MACANDREW.

SIR,—

Dunedin, 2nd May, 1878.

In view of the extended traffic to be expected in consequence of the opening of the main trunk line between the Bluff and Amberley, as also the increased traffic to be derived from the many branch lines projected and in course of construction, it has been suggested to myself and several friends that there must be an opening in this Island for a Railway Wagon Company similar to those in Great Britain and America.

The objects proposed by such a Company would, briefly stated, be as follow :—

The Company would purchase the necessary workshops, and immediately begin to build a number of high-sided, low-sided, and platform wagons and timber-trucks. These wagons should be made exactly to Government pattern, subject to inspection. They would be leased to coal and mineral companies, grain merchants, and others who might require them. A small rebate might be allowed by the Government on goods carried in these wagons, say one farthing ($\frac{1}{4}$ d.) per ton per mile.

In the matter of leasing wagons the first cost of same would be calculated at that of the Government ones of the latest design now employed upon the railways, and a small charge would be made for their use, which, with the rebate allowed by the Government, would give the Company sufficient interest on the capital invested.

Before anything can be done by myself or friends it will of course be necessary that the railway authorities should give their sanction, subject to the approval of Government, to the scheme, and also state the amount of rebate it may be possible to allow us. Taking the average life of railway wagons, the rebate I have ventured to suggest would not be excessive.

Should the Government be of opinion at any time that the traffic must be carried on in their wagons alone, it could be so arranged that they retain the power to purchase the proposed Company's rolling-stock at prices based on the cost of their own, less deductions for wear and tear.

The Company should, however, be allowed some fixed term before being compelled to sell, so that encouragement enough be afforded them.

It would also be an object of the Company to tender for the construction of carriages and all rolling-stock required by the Government from time to time; and the workshops would be of such a character that, with the exception of the wheels, all the ironwork besides the woodwork might be constructed in the Colony. Without such works it would be impossible to compete with the Home builders; and in all countries where railways are in use such companies will be found.

It is hoped, therefore, that the scheme proposed will find such favour with the Government that sufficient encouragement may be given to allow of the Company being at once formed and its operations speedily begun.

Trusting, therefore, for a favourable reply,

The Hon. J. Macandrew,
Minister for Public Works, Wellington.

I have, &c.,
JAMES DAVIDSON.

No. 2.

The UNDER SECRETARY for PUBLIC WORKS to J. DAVIDSON, Esq.

SIR,—

Public Works Office, Wellington, 6th May, 1878.

I am directed by the Hon. the Minister for Public Works to acknowledge the receipt of your letter of the 2nd inst., relative to the manufacture of wagon rolling-stock for the purposes therein

mentioned, and in reply to inform you that the same has been referred to the Commissioner of Railways for the Middle Island for report, prior to consideration by the Government.

I have, &c.,

JOHN KNOWLES,

Under Secretary for Public Works.

J. Davidson, Esq., Dunedin.

No. 3.

Mr. CONYERS to the Hon. the MINISTER for PUBLIC WORKS.

Memorandum for the Hon. the Minister for Public Works.

WAGON Companies have been established for many years in the United Kingdom, and with successful results. I see no objection to the introduction of the system here, provided the wagons are built according to Government pattern and under supervision of officers appointed by the Government, and that all the wagons so erected be maintained by the Company in thorough working order and to the satisfaction of the Government Inspector, provision being made for taking them over at a valuation at the expiration of twelve months' notice, should the Government deem it desirable. This would save the Government considerable outlay in the purchase of wagons.

The rebate proposed by Mr. Davidson of one farthing per ton per mile seems to me a favourable one.

I have, &c.,

W. CONYERS,

Commissioner of Railways, Middle Island.

4th June, 1878.

No. 4.

The UNDER SECRETARY for PUBLIC WORKS to J. DAVIDSON, Esq.

Public Works Office, Wellington, 11th June, 1878.

SIR,—

I am directed by the Hon. the Minister for Public Works to acknowledge the receipt of your letter of the 2nd ultimo relative to the formation of a company for building and letting railway wagons.

In reply, I am to state that the Minister, having inquired into the advantages which would accrue alike to the public and the Government by the formation of such a company as you suggest, and having satisfied himself thereon, is disposed to view your suggestion favourably.

I have, &c.,

JOHN KNOWLES,

Under Secretary for Public Works.

J. Davidson, Esq.

No. 5.

Mr. JAMES DAVIDSON to the Hon. J. MACANDREW.

Dunedin, 17th July, 1878.

SIR,—

In reference to former correspondence *re* the establishment of a Railway Wagon Company, I now beg to state the concessions asked for by said Company from the Government, which, simply stated, are these:—

That the Government should allow the use on their railways of goods wagons built by the Company and leased by mineral companies or others. These wagons to be exactly similar in pattern to those belonging to the Government, and to be subject to the approval of the Government Engineers, also subject to inspection.

That the Government should allow the rebate of one farthing per ton per mile on the rates charged for the different classes of goods carried in Government wagons.

The Government at present allow a rebate on goods carried in the trucks belonging to the Kaitangata Railway and Coal Company, and this arrangement, in an extended form, is what the proposed Wagon Company would desire.

The general objects of this company are shown in the draft prospectus, which I have the honor to enclose.

The rebate could be credited to the Wagon Company or to those leasing their wagons, as the Government might decide.

Trusting that a favourable reply may be given to me,

I have, &c.,

JAMES DAVIDSON.

The Hon. J. Macandrew,
Minister for Public Works, Wellington.

Enclosure in No. 5.

DRAFT PROSPECTUS of the "NEW ZEALAND RAILWAY WAGON COMPANY (LIMITED)."

CAPITAL: £100,000, in 10,000 shares of £10 each, of which it is proposed to call up £5, viz. :— 20s. on application, 20s. on allotment, 20s. in four months, 20s. in six months, and 20s. in twelve months after allotment.

Provisional Directors :—

The objects of the Company will be the building of railway rolling-stock, and the selling or leasing of same to the Government, district railways, mineral companies, sawmillers, grain merchants, and others who may require railway carriages, wagons, timber trucks, horse boxes, goods or brake vans.

The rolling-stock on the Government constructed railways has proved quite inadequate to meet the requirements of the traffic, and much loss and inconvenience has been suffered in consequence during the wool and grain season.

The uncertain supply of trucks has also seriously cramped such industries as are dependent upon railway carriage.

If such has been the case in the past, the Company may reasonably anticipate success, consequent on the vastly-increasing traffic which must result from the extension of the Government railways, the opening of communication between Christchurch and Dunedin and between Dunedin and the Bluff and Kingston.

Railways are being constructed under the provisions of the District Railways Act in Canterbury, Otago, and Southland, there being at present four lines contracted for or for which tenders are invited.

The Government are calling for tenders for the construction of the Tapanui line. The River-ton railway is being rapidly pushed forward towards completion, while many other lines are being surveyed.

Under these circumstances the necessity for a much-increased supply of rolling-stock is acknowledged; and the Government, having inquired into the subject, approve of the objects of the Company.

The operations of the Company would be similar to those of wagon companies in England, where wagons are sold on terms (the payments extending in some cases to seven years), or are leased at a monthly or yearly rental; and the profits accruing to the Company would be derived from the sale of wagons and the renting of others, a rebate on goods carried in the Company's wagons being allowed by the Government.

It would be the purpose of the Company to build railway rolling-stock of every description to order. The wheels and axles, springs and buffer-springs, and such material as may be required in the shape of girder iron, &c., would be imported; but the manufacture and erection of carriages and wagons would be carried out in the colony, and it is confidently expected that this branch of the business would realize a large profit alone.

It is estimated that one thousand goods wagons can be leased or sold during the ensuing eighteen months.

With the view of at once beginning operations, so that a supply of wagons may be available within as short a time as possible, the Provisional Directors have been in treaty for the purchase of the freehold land and buildings of the Otago Ironworks, Dunedin, and such plant and tools as may be required, the latter to be taken at valuation.

The site of these works is admirably adapted for the requirements of the Company, there being one acre of freehold land immediately adjoining the railway reserve at Castle Street, with the right to use a siding from same.

The buildings are very suitable for the requirements of the Company, and but a small outlay would be required for additions and alterations.

A number of railway wagons have already been built by the present proprietors, others being now in course of construction.

No. 6.

The GENERAL MANAGER, Dunedin, to the Hon. the MINISTER for PUBLIC WORKS.

SIR,—

General Manager's Office, Dunedin, 17th July, 1878.

With reference to the enclosed papers *re* proposed Wagon Company, I have the honor to state that, after giving the matter due consideration, I am of opinion that it would be advantageous for the department, under the present circumstances, should the Government entertain the proposal therein made.

1. It would save a very great outlay to the Government in the meantime in the construction of the wagons.

2. The additional rolling-stock would enable us to develop traffic which we have hitherto been unable to touch for want of sufficient plant.

3. The profits accruing from such traffic could well enable the Government to make some such concession as asked for by the Company.

In addition to what they propose, I would suggest the insertion of the following conditions, *viz.* :— That the wagons should not be leased for a longer period than five years, and that the wagons be maintained and kept in good repair at the expense of the Company. The expense of oiling and examining the wagons to be borne by the Government.

In the agreement there should be a purchasing clause, so that at the expiry of the lease, if the Government did not think it desirable to extend it, the Government to have the option of purchasing the wagons at valuation.

With reference to the rebate asked for by the Company, I am of the opinion the farthing per ton per mile is rather high, and think that one penny per truck per mile would be sufficient, with a maximum charge for any distance not to exceed six shillings per truck.

I have, &c.,

ALEX. GRANT,
General Manager.

The Hon. J. Macandrew,
Minister for Public Works, Wellington.

No. 7.

The UNDER SECRETARY for PUBLIC WORKS to JAMES DAVIDSON, Esq.

SIR,—

Public Works Office, Wellington, 2nd September, 1878.

I am directed by the Hon. the Minister for Public Works to acknowledge the receipt of your letter of the 17th July, in which you state the concessions required from the Government by the proposed Railway Wagon Company, and in reply to inform you that the Minister concurs in the concessions suggested, subject to the following modifications, viz. :—

1. That the period for leasing the wagons to the Government should be limited to five years, and that in the lease a purchasing clause be inserted, so that, in the event of the Government being unwilling to renew the lease, it may have the option of purchasing the wagons at a valuation.

2. The wagons to be maintained and kept in good repair by the Government at the expense of the Company, or by the Company, at the Company's option.

3. The expense of oiling and examining the wagons to be borne by the Government.

4. That instead of a rebate of one farthing per ton per mile it be fixed at one penny per loaded truck per mile.

Trusting that these modifications will meet the views of the Company,

I have &c.,

JOHN KNOWLES,

Under Secretary for Public Works.

J. Davidson, Esq., Dunedin.

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Price 3d.]