

1877.

NEW ZEALAND.

RAILWAYS MANAGEMENT

(REPORT OF THE SELECT COMMITTEE TO INQUIRE INTO THE PRESENT SYSTEM OF, TOGETHER WITH MINUTES OF EVIDENCE).

Report brought up on 6th November, and ordered to be printed.

ORDERS OF REFERENCE.

Extracts from the Journals of the House of Representatives.

THURSDAY, THE 9TH DAY OF AUGUST, 1877.

Ordered, That a Committee be appointed to inquire into and report on the present system of management of the railways of the colony. The Committee to consist of the Hon. Mr. Ormond, Mr. R. G. Wood, Mr. Macandrew, Mr. Seymour, Mr. Bunny, Mr. Curtis, and Mr. J. E. Brown; three to be the quorum; to have power to call for persons and papers, to take evidence, and to report within one month.—(*Mr. J. E. Brown.*)

THURSDAY, THE 16TH DAY OF AUGUST, 1877.

Ordered, That the names of the Hon. Mr. Richardson, Mr. Stevens, Mr. Lumsden, and Mr. Larnach be added to the Committee appointed to inquire and report on the present system of railway management.—(*Hon. Mr. Ormond.*)

MONDAY, THE 10TH DAY OF SEPTEMBER, 1877.

Ordered, That the time for bringing up the report of the Railways Management Committee be extended for one month.—(*Mr. J. E. Brown.*)

MONDAY, THE 8TH DAY OF OCTOBER, 1877.

Ordered, That the time for bringing up the report of the Railways Management Committee be extended for fourteen days.—(*Mr. J. E. Brown.*)

REPORT.

THE Select Committee appointed to inquire into and report on the present system of management of the railways of the colony have carefully inquired into the same, and have taken the evidence of skilled, professional, and experienced persons (*vide* evidence and Appendices), and have agreed to the following report:—

That it is expedient that the management of the New Zealand railways open for traffic be under separate management to the railways under construction.

That there should be a permanent Commissioner of Railways, who should have the entire responsibility of the management of the practical working of the railways, subject only to the control of the Minister.

That the system of rendering railway accounts should be monthly, instead of weekly, but that weekly accounts be rendered to the public as heretofore.

That the audit of the railway accounts should be so arranged that there will be no necessity to bring the original sub-vouchers to Wellington.

That this will best be carried out by having at least one officer, attached to the Commissioner of Audit Department, appointed as local Auditor for the North Island; and, until the Southern main trunk line is connected, there should be two such officers for the South Island. That these officers should complete the audit, and send monthly to the Commissioner of Audit a statement of the accounts as audited, from which accounts all statistical information can be obtained; and that these accounts shall be considered as complete, as far as the audit is concerned, unless any special case arises on which the Commissioner of Audit may consider explanation necessary.

That, as the House has this session expressed a definite opinion that, as far as possible, railway material should be obtained in the colony by public tender, the Committee consider it unnecessary to do more than express its concurrence in that decision.

The Committee recommend the distribution of the schedules for railway supplies, where practicable, in preference to their being obtained from one contractor.

The Committee recommend that the Government should take steps, where practicable, to insure the use of New Zealand coals, instead of Newcastle or other foreign coals, upon the Government railways.

That with reference to the classification of goods, &c., the Committee consider classification necessary, subject to revision from time to time—absolute uniformity of tariff charges being impossible—but a discriminating charge, having regard to distance and other local circumstances, should be made.

The Committee recommend the block system on all lines where there are long tunnels, and that all stations should be connected by telegraph, with offices open to the public, where practicable.

The Committee recommend that increased facilities should be given, at reduced rates, for the use of special trains, the Railway Managers of the different sections to have discretionary power.

The Committee recommend that the Government should only weigh goods for their own purposes, and that the issue of weigh-notes to the public be discontinued.

That it is inexpedient at present to lease the railways of the colony; but, with a view of ascertaining how such a system would work, the Committee is of opinion it is desirable to lease the Auckland-Waikato line for a term not exceeding five years.

The Committee consider it expedient that a scale of allowances for the railway employés, in cases of fatal accidents and accidents resulting in permanent incapacity for work, be adopted independently of Railway Benefit Societies; the allowance to be arranged according to pay in the service.

The Committee consider it desirable, where the traffic is heavy and the curves and gradients severe, that puddled steel rails should be used; the evidence generally being in favour of that course.

The Committee recommend that, wherever the Government consider it necessary for the effectual working of the traffic to adopt a system of town delivery, power shall be taken by the Government to put on a delivery rate on all goods, and charge the same to the consignee.

The Committee consider that it is not the duty of the Government to provide storage for grain, wool, or merchandise; and that such a rate for storage, where forced upon the railway, be adopted as will act as a prohibitory one.

The Committee consider that every facility should be granted for the erection of private stores with sidings to the railway, at the sole expense of the applicants, or upon such other terms as may be agreed upon.

The Committee consider that sufficient trains should be run on Sundays to meet the requirements of the public. The evidence submitted to the Committee goes to show that Sunday trains are required as much on the Invercargill and Bluff line as on other port lines in the colony.

The Committee consider that, however desirable it may be to have a uniform mileage rate for passenger fares, absolute uniformity cannot be adopted, and a discretionary power must be left in the hands of the Minister to alter the rates in regard to distance, competition, and other local circumstances.

The Committee are of opinion that it would be conducive to the public convenience if tickets could be obtained at any time outside the railway stations, from persons who may be disposed to keep such tickets for sale, as is now done in the case of postage or revenue stamps; they therefore recommend that provision be made accordingly.

The Committee consider that greater facilities should be given at the principal railway stations for sale of tickets, by having them procurable at any time during office hours; and would further strongly recommend that all tickets, excepting return and excursion, should be available until used, irrespective of the date of their issue.

5th November, 1877.

J. EVANS BROWN,
Chairman.

MINUTES OF EVIDENCE.

FRIDAY, 17TH AUGUST, 1877.

Mr. Carruthers.

Mr. CARRUTHERS examined.

17th Aug., 1877.

1. *The Chairman.*] Will you be kind enough to explain your position as to the management of constructed and constructing railways, and the system adopted?—The line between the constructed and constructing railways is very difficult to draw. As far as constructed railways are concerned, being Engineer-in-Chief, I have everything to do with the whole of the lines, excepting the details relating to traffic management, which are left in the hands of the managers, or to Mr. Conyers, who is Superintending Engineer in the South Island. Mr. Passmore held a similar position in the North Island. There is also a general supervision which the Engineer-in-Chief holds. It is hard to draw the distinction between the special duties relating to constructed and constructing railways.

2. Will you explain, Mr. Carruthers, what your powers are, as to what you can or cannot do. Who is responsible to you?—If you could name any particular thing.

3. We cannot. We are inquiring into the system of railway management?—I should say that if a Manager wanted to incur any expenditure, chargeable to loan, he would have to get authority from a Minister. The requisition would pass through me for recommendation.

4. As to the employment and dismissal of servants especially, what power have you?—The employment and dismissal of servants would also pass through me. Much power would rest with the Traffic Manager; unless there was good reason for doing otherwise his recommendation would be followed.

5. There is one question I will ask, which I understand is to be put to all engineers—it is, what experience have you had as a Manager of constructed railways?—Well, I have never been a Manager of a constructed railway, and I am not now; but I have been a Railway Engineer nearly all my life. The line of distinction between the duties pertaining to a constructed and a constructing railway is not easily drawn. My experience is that the Engineer-in-Chief is in charge of both. I am not in any way a Traffic Manager. A Traffic Manager's trade is a special one in itself, like everything else.

6. Would it be part of your duty to issue instructions to servants as to how the work was to be carried out?—Yes.

7. You were a member of the late Railway Commission?—I object to the term. The word Commission ought not to be applied to it. I see the word has got into the report, but that was quite a slip. It got into one place at the end.

8. I do not mean any offence in putting the question, as I see it is used in the report?—Yes.

9. By whom were these men appointed?—They were not appointed. Mr. Richardson, then Minister of Public Works, told me he wished me to go down South and meet Mr. Conyers and to take Mr. Passmore with me; Colonel Gorton was to accompany us in connection with the Stores Department, and Mr. Fitzgerald for the Department of Audit. We were to examine the system of accounts kept on the line, and draw up a uniform system for the whole of the railways.

10. Yes. We will come to that directly. I want to know if there was any written authority for your acting?—There was no instruction issued beyond what I have stated. There was nothing beyond verbal instruction. When I went down South, I understood it was merely matters in connection with accounts that we had to investigate. When other matters came up, I said that we were going beyond our authority. Only a telegram came from Mr. Richardson saying that we had to report upon other things. It was never intended that the report should be printed and hawked about the country as an important railway document. It was a departmental report furnished by officers in the department on account of their special knowledge.

11. With regard to the report, it recommends weekly accounts instead of monthly, and the Government have adopted the recommendation?—They have maintained it; it was always adopted in the North Island.

12. Would you be kind enough to state whether you think it is any improvement on the monthly accounts?—I do not think it makes much difference. Weekly accounts are very much in use in other parts of the world. They were used on railways that I was on in America, and are also used in Ireland on some of the railways there; but are not used in England. I think they are used in Scotland on some lines.

13. Under this new system is there much more work involved?—I think not. We made inquiries, and the majority of Stationmasters think there is less work with the weekly system.

14. I only ask your own opinion?—My opinion is that there is very little difference. In head offices an extra clerk might be required.

15. You do not think there is any more trouble in making up accounts four times for the month than in making them up once?—No; because errors are much more quickly found out. Only in large stations would any difference be made in the work. I do not think it is a very important matter; monthly accounts are quite good enough, and weekly accounts are quite good enough.

16. Can you tell how many returns are made up by every station in the country?—I could not say off-hand.

17. Do you think there are fifteen or seventeen at each station?—I think there are about two—that is, things that would be called returns. I will refer to the returns named in the report.

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18. Then you have adopted clause 37 of the report? [Clause 37 read.]—The "Press Copy of Outward Way-bills" could be hardly called a form; the "Balance Sheet" is much the same; these go to the Audit Office. The "Outward and Inward Abstracts" is a very little form, and takes no time in making out. The "Weekly Summary of Traffic" can be made up from particulars abstracted from the outward way-bills. Then there is the "copy" of his balance sheet, which takes no time to prepare; the last three go to the head office. Altogether, there are five very simple documents to be forwarded every week.

19. These returns you will observe are sent to the Provincial Audit Office?—They will not be sent there after the new offices get into working order.

20. Is there any necessity for a provincial Audit?—Quite unnecessary; it ought to be abolished.

21. All errors occurring in these weekly returns must be discovered in Wellington?—No. The outward and inward abstracts would show errors, as one must balance with the other. No mistakes can occur.

22. Then what is the use of having an Inspector to examine the books?—He is an Audit Officer. His principal work would be to see that the Stationmasters and clerks have really the money, or goods in sheds, that they say they have. He looks at the books to see that they are properly entered up.

23. If you turn to clause 6 in the Railway Report, you will see that you have either misapprehended my question, or that the duties of Travelling Inspector are the reverse of what you say?—[After reading clause 6]. That is precisely what I say. A Stationmaster, for instance, says he sold a certain number of tickets: the Travelling Inspector checks his statement. The Goods Clerk may state that a certain amount of money is due, and enters it as an asset to be received from the consignee for goods to be delivered to him: the Travelling Auditor has to see that such is the case. The Auditor gets the particulars from the Station Clerk, and will say to him, "Let me look at your last return sent in to the Audit." The Travelling Auditor gets it verified from Wellington, to be assured that the actual statement of cash balances is the same as the one he sees at the Station. He then goes to the Ticket Clerk and notes the result. The Goods Clerk sends to the Audit a statement, showing that the railway has earned a certain sum for freight, a portion of which money he may not have collected, owing to the freight not having been paid—the Travelling Auditor may be told that there is £100 outstanding in this way; it is then his duty to see that this statement is true.

24. You say mistakes cannot occur. Do you not know that many errors have occurred?—I do not know that mistakes have not occurred. As to error not being possible, that is very hard to say; but I say that by having two columns showing export and import, one checking the other, there probably would be no mistake.

25. In the report of the Commission a certain classification of goods is recommended. Do you think that classification advisable?—I think so. I also think the present classification full enough, and not too full. I am not prepared to say the classification is absolutely perfect.

26. Do you consider the classification recommended by the Commission necessary?—Yes; I think so. In the first place there is the experience of all railway companies in the world on the subject. In England every article is classified.

27. Then you think, as a rule, the classification recommended should be adopted?—Yes.

28. Why then is it that exception is to be made on the Lyttelton and Christchurch line?—Because when a ship comes in you take the manifest; if not you would have to weigh every portion of the cargo. In the case of a ship coming in the goods have been already weighed and measured. If it is suspected that there be any cheating, then the goods should be weighed.

29. It appears then that a merchant receives goods by one classification and sends goods away by another?—I see no parallel. The reason is that when a ship comes in with loading, all the goods have been already weighed and measured, and to re-weigh and re-measure them would be waste of time. It is to the ship's interest to put down the right freight. As to goods going outward, I do not think the Government would be justified in accepting the weights handed to them. It would be necessary to weigh the goods, and that would be done whether there was a classification or not.

30. I want to ask you with regard to return tickets. I see the Commission have recommended that in course of time return tickets should be done away with. I wish to ask you what is your opinion on the subject?—The return tickets are a great inconvenience. It would be better for return tickets to be done away with.

31. Then in the case of a regular customer he would have to pay the price of a single ticket each way, and only the man who travelled occasionally would get the benefit of such a system?—Yes; but a season ticket could be got.

32. Are you of opinion that return tickets should be abolished?—Yes.

33. Are you aware that in America return tickets can be purchased in shops and places away from the railway station?—I have an impression that the system in America of selling tickets away from the station, and by any one, has led to gross abuses, and has been discontinued. The system of return tickets is in force in England.

34. Can you say whether the American system is found satisfactory?—I should say it was very unsatisfactory indeed.

35. Do you speak from experience?—Yes.

36. Have you had experience in this matter of selling tickets at the shops?—The system of tickets good for a long time has been found inconvenient, in this way: A man, for instance, buys a return ticket. If he arranges with the guard for the ticket not to be nicked, he can continue to travel on that ticket.

37. Do you not think it would be an improvement on our present system if the tickets were sold as revenue stamps upon commission?—Then the tickets would become cash. I do not think any great advantage would be gained. If tickets are saleable all about the country there is no necessity for them. A ticket would be the same as a bank note.

38. Would it not be to the convenience of the public to be able to purchase tickets wherever they like. I want you to answer that question?—Some slight convenience might result.

39. Are you aware that that is the system in America?—I have read, but cannot verify what I have read, that it has been given up. Tickets might be sold away from the station, if sold according to number. *Mr. Carruthers.*
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40. I believe that there are certain printed instructions issued to employés on railways?—Yes. Those instructions are in force still.

41. Who is the author of them?—They are the instructions in use over all railways. As to the actual drawing out of them, there was one book in Canterbury, another in Otago—a copy of the Victorian and English rules. These were handed over to Mr. Conyers, or Mr. Passmore, who collated them.

42. I understand Mr. Conyers or Mr. Passmore classified the instructions?—Yes; I think it was both or either of them; Mr. Passmore and Mr. Conyers, or Mr. Warner. I do not know exactly which two of the three.

43. There was one regulation that guards had to stand at breaks to give assistance when necessary. Do you know that it has increased the expenditure?—It has involved considerable increase in the expenditure.

44. Do you know the amount?—I do not. Perhaps £3,000 a year.

45. Is that rule in force now?—Some instructions have been sent round during the past few days.

46. Will you state what steps have been taken?—The Minister for Public Works has sent out instructions that those men should do porter's work. No instruction has gone saying that there is not to be a guard to go with a train. Now they will be able to do other work.

47. What other work?—I do not know. I look upon it as absolutely essential that no train should run without a man at the break. Without a guard the train is placed in a dangerous position. Even if it cost £3,000 or £30,000 it should not be discontinued.

48. There was another rule about men being at facing points when a train was passing. Has that been modified?—No; I do not think any additional expense is occasioned in consequence.

49. Are you aware that that rule is not being carried out in Canterbury?—I have not heard that it is ignored. I have seen in the papers that it has not been ignored. An engine-driver to run through a facing point without anybody holding it should be dismissed, or reduced in rank. In England, in order to avoid facing points, lines are run in different directions, so that no train will run through facing points. Of course, in single lines the points must face one way. I should certainly recommend the dismissal of an engine-driver who would run through a facing point without some one holding it, especially if there were passengers in the train. I believe that drivers do not run through facing points now, assuming that the facing point was not locked.

50. Did not some managers oppose that rule when it was promulgated?—No.

51. With regard to the men walking over the lines, what is the length of line to one ganger?—About four miles.

52. Never six?—Perhaps not; but if it were six miles one ganger would not have to do it. If a man has got six miles to look after, he can send a man to go over each mile. Generally the men have to go over a great deal of it in order to get to their homes.

53. I would like to ask you if you are in a position to state whether there has not been a great falling off in the proceeds or returns of the railways by the adoption of the new system?—I do not think there has. I have not had time since it came into force to look at the returns.

54. The opinions you have expressed in the report, and the opinions you have given here are simply those of an Engineer, not a Manager?—Yes. My experience is as a Civil Engineer.

55. The business of Manager is a peculiar one, is it not. That is to say, it is quite different from that of Constructing Engineer?—Yes. I am not a General Manager.

56. Are you aware that the General Manager of the Great Pacific Railway is not a Civil Engineer?—I do not know; but on the Galena and Chicago, the Detroit and Milwaukee, and other American railway lines, the chief man on each was, when I was there, a Civil Engineer.

57. Do you know of any Civil Engineer who is also Manager of a railway?—I am not aware that any Civil Engineer is a Manager of a railway.

58. *Mr. Stevens.*] The first question I wish to ask you, Mr. Carruthers, will have reference to the working of the system of audit of the Railway Department. My question is: Does the central system of audit work satisfactorily?—It would be an enormous expense if we had a separate system of audit for each railway.

59. Do you consider the present system of audit causes any delay in the payment for stores or things required in the working of the line?—No, not at all. I think there is a good deal of misconception with regard to the working of the system of audit. If there was a separate audit at Dunedin and another at Auckland, the whole of the information sent in to the audit would have to be sent to one place, or the Minister of Public Works would not know what was going on. A dozen more men would have to be employed; and all the data and statistics would have to be forwarded to one head place. The Government must be kept posted up in the information about the statistics. By having separate Audit Offices at each place, officers would require to be paid large salaries, for they must be men upon whom the greatest trust could be placed—men above suspicion. Such men would be required at every central Audit Office.

60. If the Railway Department purchased £1,000 worth of coal, how long would it take before the vendor would get his money?—I cannot answer that question off-hand.

61. Could it be a fortnight?—It might.

62. Could it be a month?—I cannot say.

63. My object is to ascertain when the money would be paid?—A large item like £1,000 worth of coal would not be likely to be purchased in a hurry.

64. The question is, when the vendor would get his money?—I cannot answer that question. I can give you the information to-morrow.

65. I ask for the information owing to actual facts that have come within my own knowledge. Would it be possible that, owing to delay, a large quantity of coal could actually be consumed before

Mr. Carruthers. the money was obtained, although that coal was purchased for cash price. This circumstance has been mentioned to me?—I have no intimate knowledge of how long it would take for the account to go through the Audit Office.

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66. I understood you to say in answer to the Chairman that all expenditure had to be authorized by a Minister after the requisition passing through you?—The local Managers have all power for entailing expenditure in connection with their respective lines. It is only in relation to expenditure of loan that a Minister's approval is requisite. The ordinary management expenditure goes through the Managers themselves, such as the purchasing of stores. The only delay likely to occur in the payment of store accounts would be while going through the Audit and Treasury.

67. Perhaps it would not be waste of time to ask you to state the exact process gone through in regard to stores in the matter of payment?—A purchase is made by, say Mr. Conyers.

68. Well, what is done next?—A voucher is sent up to Wellington, and the account is scheduled, audited, and paid.

69. You are not in a position to state the customary length of time taken up?—I am not.

70. If you refer to section 102, you will see there is a recommendation regarding "cases of emergencies;" when the supplies required are accidental, they may be procured out of local stores?—Yes.

71. What would be the process of payment in such cases?—I have no knowledge of that.

72. Is it not in accordance with the present system to enter into a contract for all stores, or nearly all stores, with the one house?—Yes.

73. Is there any great advantage in entering into contracts with persons who are neither manufacturers nor importers of the articles contracted for?—The thing is let by contract, the lowest tender being accepted.

74. That is not the point; the question is, is it advantageous or otherwise to deal for all stores with one house by a general contract. Is there any advantage in regard to items?—I think it almost impossible to do otherwise. Tenders are called for, and the lowest accepted.

75. Suppose the department requires to purchase rope. The contractor, who perhaps neither imports nor manufactures that article, has to procure it elsewhere in order to keep up with the terms of his contract. Now is there any advantage to the railway to buy the rope in that manner?—If the person supplies it at a lower rate than the manufacturer, there is.

76. As a general rule, would it or would it not be advantageous for the Railway Department itself to purchase such items as are not imported or manufactured by the contractor direct from the stores?—It would depend on circumstances. Tenders are called, the lowest accepted, and it does not matter then where the contractor obtains the supplies necessary.

77. I do not see how your remark bears if he has to go and purchase supplies from other tradesmen, because you do not know what price such supplies might be had for if some supplies were tendered for separately?—Tenders might be broken up more than they are, but in fact we are only beginning the system.

78. Then do I understand that tenders might be broken up with advantage?—I think they could.

79. In what way is the removal or dismissal of servants carried on. I understand that removals have to be sanctioned by you?—The approval of the Minister is requisite for the appointment or dismissal of Stationmasters and officers of higher grade.

80. Do you think the present system the best system?—No. The Minister is bothered a great deal about the payment and dismissal of clerks. It would be better to leave this to the Managers. The Storekeepers I would have as independent as possible, and have them under the Store Department.

81. Are you aware, after the finding of a loss occurring to a consignor or consignee in respect to goods carried on the line, what is done when that loss is discovered or complained?—The matter is reported to the General Manager, who will pay for it if it is not a large sum. It has never occurred since the railways have been taken over.

82. Are you aware of any case in the colony where, in such a loss as I have described—not for any large sum—the fault has been traced down to the person causing the loss, and the officer proved or believed to have caused it was sent to the person with a view to making a private arrangement?—I do not know whether such a thing has occurred. If it had, it would be very irregular and improper.

Mr. Stevens: I mention it because I have heard that it has occurred.

83. *Mr. Bunny.*] I see in your report that the charge shall be 20s. a mile for a special train. What is a fair charge?—It is very difficult to say what the cost is of special trains. They interfere very much with the line. The actual running cost of a train would probably not be more than 3s. a mile.

84. Do you approve of the charge shown for wear and tear in the Railway Report of a special train on the Auckland and Mercer line. The charge is six guineas?—I do not think the charge is much out of the way.

85. Therefore, if the cost for wear and tear upon one large carriage and two smaller for forty miles be six guineas, the wear and tear of an ordinary train would be largely in excess of that?—You can hardly say that. The engine does most of the damage.

86. If that is the market estimate of wear and tear for forty miles, the railway from Wellington to Upper Hutt would for that purpose alone, for the five trains a day, cost £210?—You forget that the special train has to go back again and run eighty miles instead of forty. I cannot follow your figures. The charge of 1s. 6d. a mile for use of road, coal, &c., does not strike me as being much out of the way. The tariff of charges has been increased lately.

87. Are you aware that in consequence of the increased tariff the traffic on the Dunedin and Port Chalmers line has fallen off?—Yes; about £1,200 per month.

88. *Mr. Larnach.*] Must all orders for the payment of money be sanctioned by you?—No; the whole working expenses of the railway are paid by the Managers. The payments are not referred to me. They are referred to the Audit Department,

89. Does the dismissal of servants rest with the Engineer-in-Chief?—No; it rests with the Minister. *Mr. Carruthers.*

90. Has the Engineer-in-Chief power to issue free passes?—No; except to the officers of the department. 17th Aug., 1877

91. Can the Engineer-in-Chief have a knowledge of the servants and a practical knowledge of the running of lines equal to that of a practical Manager?—He gets his knowledge from the Manager.

92. Then it is second-hand?—Yes.

93. Then you are not responsible for the men in any way?—No.

94. In your opinion return tickets should be abolished?—I do not think it is a very serious matter. They are open to abuse in the way of re-sale.

95. Are you in favour of a system of single tickets instead of the system at present in use, and having them sold as revenue or postage stamps?—No; I do not think tickets can be sold as postage stamps. There would be no check whatever on Stationmasters, and the guards would have facilities for cheating to any extent. There is no doubt about it that in America, where such a system was carried out, the conductors have often made their fortunes.

96. What special advantages would be offered to the guards for cheating other than they have at present?—Now tickets are all numbered and sold in rotation. The tickets are collected, and if a number appears on a ticket higher than any the station clerk has sold, then we know that there is cheating.

97. Why not number the tickets consecutively in the new system?—The objection to that is that the tickets would lie so long out that there would be no way of checking them.

98. Would not that be an advantage to the Government?—I think not. The tickets would be all used. At present tickets are only issued for one day. If a man buys a ticket, and if that ticket need not be used for a month or two months, it is liable to be used frequently during the intermediate time.

99. What is to hinder the guards from allowing the same thing to take place now?—The same guard does not collect all the way through on the line.

100. You are aware that under that system is the note circulation of banks, and they are not in the habit of paying their notes twice. Do you not think that some system of that kind could be adopted, whereby the Government would run no risk of being defrauded?—I do not think any system can be safe from robbery when the tickets have a long time to run.

101. If the tickets were "ear-marked," would it be no protection? Is there any opportunity for a ticket being used fraudulently now?—At present the obstacle to cheating is that the guard is not the only person who has to do with the ticket. There are two or three people or more concerned in it.

102. If the guard is so inclined, he could defraud the revenue under the present system the same as he could under the system proposed?—I do not think so.

103. The date on the ticket is your speciality. Could not a system for arranging the dates be adopted?—Even if the tickets were numbered in the present way, the sale of them in the manner mentioned would be open to the same objection. I am inclined to disagree with you. At the present time by collusion with the guards a person can go free. Under the new method there would be precisely the same class of officers under whose eyes a passenger would go. I can understand there would be an objection to issue tickets for a month. However, the surplus remaining from the unsold tickets could be returned.

104. In clause 10 of your report, Mr. Carruthers, I see all tickets shall be printed in Wellington?—Tickets are valuable property, or at least become so, and it is well to have them all in charge of one man. Besides, there would be no use in having ticket-printing machines all over the country.

105. Are you aware that in other colonies the tickets are printed by tender? Have you any objection to that system?—I have no great objection, but I think it better to print them at the railway offices.

106. Do you know what proportion of tickets required for use on the Government railways are consumed in Wellington?—A small proportion as compared with the other parts of the colony. The cost of printing tickets is very trifling. It is better having the tickets printed at one place.

107. Then it is recommended that a supply of six months should be kept at each head station. I should imagine that two or three months' supply would be ample?—That would not be very essential so long as there is a good supply of tickets kept on hand.

108. You say in your report that tenders should be called for in England. Is that considered more desirable than calling for tenders in the colony?—I think stores would be got cheaper by calling for tenders in England. We have done nothing else hitherto but get our stores in the colony.

109. It is strange that stores can be bought sometimes cheaper in the colony than they can in England, from where they are imported. You would not object to tenders being called for in England?—I think it would be well for tenders to be called for in England and in the colonies.

110. Presuming there was a slight difference in favour of getting stores in England, would there not be an advantage to the Government to get the stores in the colony, as then a smaller quantity would be required to be kept in stock than if the stores had to come from England, from where they would have to be imported more largely. Would not one advantage counteract the other?—If tenders were called for in England, supplies could be sent out every month, and the stock here not be kept up very large.

111. You have no special objection to calling for tenders in the colony?—Not if the stores can be got as cheaply.

112. Are you responsible for the accounts as well as the payment of them?—The General Manager has all that responsibility as far as traffic is concerned. But if the Engineer-in-Chief has nothing to do with the constructing line, it will lead to great extravagance. Men will be given unlimited power of ordering things, who would not be interested professionally in keeping down the expenses of the department.

113. Presuming such management was left to the practical Manager, would he not be responsible to the Minister?—He is responsible for the traffic only.

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114. I understand that at present the practical Manager is responsible to you, and that you are responsible to the Minister?—Yes.

115. Within your own knowledge is there any salaried officer in the Railway Department of the colony engaged or receiving remuneration from any business outside his duties in the Government service?—Do you mean without the knowledge and consent of Government?

116. I am not asking this question from any motive of inquisitiveness, but this fact should be elicited and furnished in the report.—I should be glad if you would give me some definite question.

117. I will repeat the question. Within your own knowledge is there any salaried officer in the Railway Department of the colony engaged or receiving remuneration from any business outside his duties in the Government service, either with or without the knowledge of the Government? Of course, you as chief officer may have that knowledge; but within your own immediate knowledge do you know such to be the case?—Within my own knowledge there is no salaried officer of the Railway Department receiving salary for or engaged in any business outside of his official duties.

118. *Mr. Macandrew.*] Does that apply to yourself?—Yes; it applies to myself.

The Committee rose at 1 p.m. Adjourned until Monday, at 11 a.m.

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MONDAY, 20TH AUGUST, 1877.

Mr. Carruthers's examination continued.

119. *Mr. Macandrew.*] Is it your opinion that it would be best for the country that the Government itself should carry on the business of the public carrier, or that the railways should be leased?—I think decidedly that railways should not be leased. I do not know that anything can be said in favour of leasing them.

120. Not if strict conditions were imposed?—I think it almost impossible to fix conditions, and to be able to carry them out, by which the contractor could be compelled to return the rolling-stock in the condition in which he got it.

121. Is it your opinion that there should be one uniform rate on railways in all portions of the colony, irrespective of the cost of construction, of the cost of the rolling-stock, and irrespective of the competition there may be?—No, I think where the cost of construction has been excessive, or the cost of the work very high, it would be but fair to charge higher rates.

122. In that respect you disagree with this report (E. 2.)?—No; I think it is recommended in that report.

123. At all events it has been adopted?—Yes, but it is not a recommendation contained in the report. It was adopted by the Minister.

124. I think you stated you would be in favour of calling for tenders in the Australian Colonies, America, and England for material wanted?—I would be in favour of getting supplies at the cheapest rate possible.

125. You would be in favour of purchasing timber and other materials out of the colony, if you could get it cheaper than in the colony?—Yes.

126. Do you think it desirable that the rolling-stock should be imported instead of being constructed in the colony?—I should think it a matter of indifference whether it was imported, if it were got at the same price, and as good in quality.

127. Has any attempt been made to obtain wagons and materials in the colony?—Yes; there have been some wagons made in the colony.

128. Where?—In Dunedin.

129. Was that before the railways were taken over by the General Government?—No; the General Government have had some wagons made.

130. At whose place?—I think it was Sparrows'.

131. Lately?—Some time ago.

132. Are you aware that carriage wheels and axles can be made in the colony?—I know there is a steam-hammer in the colony which is sufficiently powerful to make axles, but I doubt whether the work could be done except in so far as using up scrap-iron goes.

133. By using up scrap-iron you think it could be done with less cost to the colony than the imported article?—Yes, assuming we have sufficient scrap-iron; and I think we shall have soon.

134. And that will be made use of?—Yes; I should recommend it at any rate for making buffers and axles. No doubt buffers and things of that character can be made at Port Chalmers; and I should recommend that, even though it entailed loss, work of that class should be given to the Port Chalmers establishment, because it is very desirable to keep the machinery in use.

135. Has any attempt been made to get locomotives made in the colony?—Yes; the Provincial Government had one or two made.

136. I mean by the General Government?—No; except three little things, which were made here, in Wellington; but they could hardly be called locomotives.

137. Can locomotives be turned out in the colonies?—Not so cheaply as in England. At the Avonside, Beyer and Peacock's, and Stevenson's. At those places they have appliances which no establishment in the colonies has or is likely to have for many years to come.

138. Would it not be well for the Government to obtain those appliances for their own workshops?—I do not think so. It is a matter for calculation of what it would take to get such a thing started. I do not think we could make locomotives so cheaply as we can import them; and there is a great deal more than the actual manufacture to be considered. In all these workshops in England they have men trained to particular parts of the work, and it would be very difficult indeed to keep up a staff of such men out here.

139. You are not aware that there are hundreds of skilled workmen—engine-fitters and so forth—in the colony who would be glad to work at the same wages as are paid in the old country?—No; I think it is only a temporary depression, which leads men to take up that position.

140. Are you aware that boiler-makers are only paid here at the same rate as they are paid on the Clyde?—I was not aware of it. *Mr. Carruthers*

141. It appears by your evidence before the Committee that, since the General Government has taken over the management of railways, a large saving has been effected in the shape of oil on the Canterbury and Southern Railways?—Yes. 20th Aug., 1877

142. Are you aware whether that saving has been extended to any part of the North Island?—I think the North Island has always been more economical than Dunedin. Undoubtedly there was great extravagance in Canterbury compared either with Otago or the North Island.

143. Who accepts tenders for stores—upon whom does the responsibility rest?—Upon Ministers.

144. Upon whose recommendation do they accept?—Well, it would depend where tenders were called for. If they were called for and accepted in New Zealand, it would be upon my recommendation; if in England, the Agent-General would accept on the advice of the consulting engineers. If the tenders were in respect of local matters in New Zealand, they would be accepted upon the recommendation of the chief officer in the locality. If called for in Dunedin or Christchurch, then upon the recommendation of Mr. Conyers; if in Wellington, then upon my recommendation, and so on.

145. Do you compare the different tenders with each other?—Yes, very carefully.

146. They are not intrusted to any subordinate?—No.

147. I think you stated that this new system—this central system of audit and alteration from monthly to weekly accounts—will not involve any additional expense?—I think it will reduce expenses on the whole undoubtedly. We have not yet got things into working order, but there will be a considerable reduction.

148. Is there one officer less at the different offices of Dunedin and Christchurch?—A good many reductions have been made, and I know a great many more reductions will be made.

149. Will there be any extra men put on in Wellington?—I think there will have to be one or two more clerks; not more.

150. Can you describe the process by which the value of tickets is ascertained? How do you secure yourself against fraud?—The tickets are issued to the Stationmasters, having been counted and valued, and they have to account for them.

151. But what department deals with that?—The Audit Department. The ticket storekeeper will be under the Stores Audit.

152. I think you stated that you considered it necessary that a ganger should walk over his beat twice a day?—Yes; or he should see it done.

153. Would not once a day be sufficient—in the mornings?—It is better to have it done twice a day when it can be done.

154. On the Otago railways the gangers never went over it more than once. It involves something like 24 miles a day (the beat is usually six miles), so that a man would do little else?—He has trollies.

155. Can you suggest any means by which the working expenses can be decreased as compared with the existing expenditure?—No; I have no special recommendation to make upon the subject. I think there would be a great amount saved in getting stores from England rather than getting them in the colony, unless New Zealand prices become very much lower. We have paid a great deal more for stores in the colony than we could have imported them for.

156. Do you not think it would conduce greatly to the successful working and management of our railways were the executive officers as much as possible brought into direct contact with the Minister for Railways, instead of there being so much circumlocution?—Well, I do not know why it should.

157. At present the business has to go through so many hands?—You could not have each Manager in direct correspondence with the Minister.

158. How many are there? Is there one in the North and one in the South?—There are eight or ten in the North.

159. Well, take ten. Would it not conduce to the better working of the railways if there was direct action?—I do not think so. There are yet many railways in course of construction, and there is a very great difference between the management of railways constructed and those in course of construction.

160. I think you stated that it was the invariable rule in England that the constructing engineer was also manager of the constructed railways?—It is so in my experience. He has become so as long as there is any construction going on. I have never known it to be otherwise.

161. Is it not one thing to construct a railway and another thing to manage the traffic upon it? They are two distinct things?—Yes.

162. I think I understood you to say that you had no experience in the management of traffic until you came to New Zealand?—I have had no experience and am not now engaged in managing traffic. I have a general supervision. But there are very few of the lines in New Zealand yet completed. Locomotives have to be specified and brought out, and I have to see that both they and the lines get fair play and fair usage; and until the lines are completed I ought to have that opportunity. Interference with the Traffic Managers is no part of my duty, and I should never think of doing so, nor do I suppose if I did so Ministers would agree to my doing so.

163. *Mr. Richardson*] With reference to manufacturing rolling-stock in the colony, have you seen last year's report of the Engineer-in-Chief of the Victorian railways?—Yes.

164. Can you give the Committee in a few words the result of that report?—He reports that the rolling-stock manufactured in the colony was very expensive and very bad; that it had been a complete mistake; that it was not equal to the imported article, and much more costly.

165. Do you know to what extent the Victorian Government have assisted the introduction of the manufacture of rolling-stock in the colony?—I do not remember exactly. I know they have furnished capital and given large orders. I have an idea that they paid down in advance sufficient to cover the whole cost of the machinery and the starting of the workshops.

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166. Do you think there is any likelihood for some time to come that there will be any establishment there of a sufficient size to enable it to manufacture successfully any class of rolling-stock?—I think that the Government workshops will be able to manufacture a great part of the rolling-stock, but wheels and axles will always probably be cheaper when imported from England. They may be able to make wheels and axles in Dunedin, but I doubt whether so cheaply as we can import them. Frames and sides of wagons may be built, but not other things. For instance, for springs we should have to import the steel, and it is just as cheap to import springs as the steel to make them of. I do not think locomotives can be constructed for a long time to come.

167. Are you aware whether the ironwork of rolling-stock made in Victoria is imported?—I believe it is to a great extent.

168. With regard to this report, clause 62, "Where the gradients on a line are unusually heavy, or where the cost of construction has been unusually great, the scale should be constructed by increasing the mileage in proportion to the gradients or cost for the purpose of the calculation." Is that your opinion still?—Yes.

169. *Mr. Lumsden.*] Did the reference in the Victorian report cover ordinary wagons?—It referred to rolling-stock generally; but I suppose it would not cover ordinary wagons, because I believe if they imported the wheels and axles the rest would be made well enough in the colony. We have made some very good wagons here, but we had to import axles and wheels.

170. You have seen the carriages constructed by Findlay Brothers of Dunedin?—Yes.

171. The wheels and axles were imported?—Yes.

172. Do you think if the Government imported these articles the other material might be obtained and worked up in the colony?—Yes, eventually. Of course we should have to import the iron too. We could not make channel iron for sole plates here, and then there would be the spring steel; and, as I said before, it is quite as cheap to import the springs as the steel for them—in fact, it would be cheaper; for we should then not have to pay for waste steel, and there is no inconsiderable quantity wasted. This amounts to pretty well what we do now. We call for tenders at home for ironwork, and then tenders are called in the colony for the whole of the woodwork.

173. What is your experience of New Zealand timber for this work?—We have not used a great deal of New Zealand timber, and I do not know that we have any timber very good for the purpose, except puriri—that is very good. Matai and totara, and most of the New Zealand timbers, are very brittle, and would hardly do for frames.

174. Have you tried kauri?—We use it for planking and sides, so we do matai and totara; but it is of no use for frames.

175. Have you tried kamai, from the Southland District?—I got up some specimens in order to test its strength, and found it the weakest of all—weaker than totara. They were very nice-looking specimens, and were it not for its very brittle character would be a nice wood. I was surprised when I tested it at the Museum and found it so weak.

176. Our experience is just the contrary. We find, with care and careful management, letting it dry slowly, that it is excellent wood. Have you also tried rata?—We have not used any great amount of it. It is not very durable.

177. You adhere to the opinion that higher rates should be charged upon some lines than upon others?—Yes, as stated in paragraph 62, E. 2. Take Lyttelton to Christchurch as an instance. We would increase the nominal length of that line from six or seven miles to, say, ten.

178. Then there should not be a uniform system?—No; uniformity should, I think, be abandoned in extreme cases, in order to allow for extra charges where the country is heavy. I do not think that one portion of the community should be taxed higher than another, for I consider the railway charges to be a tax after all; therefore, there should be uniformity as far as possible. There is another thing: if the rates are not uniform as far as possible, there would be pressure brought to bear to have the rates reduced on each particular section.

179. The rates on the Port Chalmers line have been reduced already?—Not below the usual sum. Throughout the colony generally we charge by weight, whereas at Port Chalmers we charge both by weight and measurement. We take the ship's manifest and charge by weight where it pays best, and by measurement where it pays best, because the ships do so; so that the rates are higher on that line, if taken as a whole, than they are elsewhere.

180. Do you think return tickets encourage traffic?—I think low rates induce traffic. I do not think return tickets have any effect except so far as they are lower in price.

181. In reference to the sale of tickets outside the station, do you approve of tickets being sold at shops?—I think there would be a great chance of loss, and I do not think there would be very much business done under the system. In the first place I think you would not get very many persons to sell railway tickets—when you come to think what a large amount of capital a man must lay out before he could do so. He would require four tickets for every station, and as in Canterbury there are seventy or eighty stations, he would require 300 tickets, so as to have on hand only one of each kind of ticket. If he had three or four of each it would run up to 1,200 tickets, and as the average may be taken at 10s., that would be £600. I do not think many persons would feel inclined to make such an outlay; and while I do not think it would save the public any trouble whatever, it might lead to a great deal of forgery and cheating by the officers of the Government. Very little good would be effected.

182. *Mr. Seymour.*] Would it not be desirable for the railway offices to be open for the sale of tickets at some other time besides five minutes immediately before the train starts?—That has been done now. The object of selling tickets only immediately before the train started was to allow clerks to go on with their work uninterruptedly; but no doubt the practice has been carried to an extreme, and the public ought to be allowed to purchase tickets for a longer period.

183. I thought they ought to be able to do so a day or two before?—I should think tickets ought to lapse on the day of issue, as nearly as possible.

184. You think there would be an objection to a person going to the railway station, and buying tickets for use on Monday morning?—I think so.

185. *Mr. Macandrew.*] Are you aware of the cost of the carriages supplied by Findlay Brothers?—*Mr. Carruthers.* They were supplied to the Provincial Government. No. I think it was £500 or £600, but I am not sure. 20th Aug., 1877.

186. Do you think they cost more than the imported?—I am not aware.

187. I think you said there were several locomotives built in the colony?—Yes.

188. Where are they at work?—In the Otago District. They have been worked by the Provincial Government. I think one is at Maerewhenua and another is at Kaitangata.

189. And have they given as much satisfaction as those which have been imported?—I think not. They are “fire-eaters” rather.

190. You do not know for a fact that kamai sleepers have been in existence on the Bluff line since its commencement, and are fresh now?—I know they have been used for some time. It is a very durable timber.

191. *Mr. Reader Wood.*] The employés on the lines are all paid fixed salaries?—Yes.

192. They have no interest in the success of the line. Whether there is a loss or a profit they receive their salaries just the same?—Yes.

193. Do you not think it would be an advantageous arrangement if they were paid in some measure in accordance with the earnings of the line; at any rate, the chief officers—the men who are absolutely in charge of it?—No. It would be an excellent thing for them—for no one else. Most people would neglect the line in order to bring out a greater margin of profit. It might be all very well if you could get a person thoroughly conscientious.

194. Under the present system is a man not liable to perform his duties in a perfunctory manner, simply carrying out his instructions and drawing his salary?—I do not think there would be any advantage in a change. I do not think the Manager has much power to increase traffic, but he might have power to decrease expenses. I think the Managers do their duty.

195. Well, put the thing on an entirely different footing to what it is at present. Suppose the Government appointed a Manager and had nothing to do with the employés. Let him appoint his own employés and leave everything to him, his duty being to carry the thing on in such a way that it should be made to pay. Under the present system that seems to be a matter of no consequence so long as the deficit can be made good out of the taxation of the country. Surely if a Manager were placed in full charge of a line he could study the interests of it, and regulate it much better than it could be regulated by Orders in Council and fixed and rigid rules. He would very soon endeavour to increase the traffic; and as for the line itself, he might be bound to give security for keeping it in repair. If the Government engineers looked after the matter they could soon see if he was discharging his duty in that respect?—A railway is a large property, and it is a question whether it would be wise to hand over to Managers a property valued at eight and a half millions.

196. The question is not the magnitude of the property, but whether the railways constructed at this expense can be made to pay?—I do not think it would increase the profits at all. I do not think it would be safe to trust a valuable property like a railway into a man’s hands for him to make it pay when there could be scarcely any check over him as to the manner in which the line should be used.

197. Could not proper steps be taken to protect the property?—I think, as a matter of practice, it could not be protected.

198. Is it not a fact that, though it is to the interest of a contractor for building a railway line to “scamp” his work, yet the Government is able to prevent him from improperly constructing it?—The cases are very different; but I will remark this—that we have never lent a contractor an engine and had the engine returned in as good a condition as when we lent it, or as it would have been in had we not lent it.

199. Is not that owing to your imperfect machinery for inspection?—No; I think it is a physical impossibility to get men to keep rolling-stock in the order in which you hand it over to them; and if you handed over a line to a Manager, whose object would be to get all he could out of it, you would find your line soon getting into bad order.

200. Is it not a fact that when the Brogdens managed the line from Onehunga to Auckland they made it pay tolerably well?—Yes, they did, but—

201. Is it not a fact that it has never paid since the Government took it over—that, in fact, there was a complete collapse as soon as the Government took it over?—It has paid very well. When the Brogdens were running the railway they had no interest to pay, so that the line might well pay.

202. It has never paid a shilling since?—I beg your pardon.

203. Does it not barely pay expenses?—There is a considerable profit.

204. In this report of the Commission *re* Auckland Railway (E. 2A.) is the following: “The railways in Auckland do not pay. From the Treasury Accounts, furnished to the late Provincial Government and to the Commissioners, we find that for the year ended 30th June, 1876,—

“ The gross receipts were	£22,592 15 5
“ Expenditure	£21,189 7 3
“ Interest	22,177 3 1
	43,366 10 4
	20,773 14 11”?

I could show differently by the Public Works Statement. Brogdens might make it pay, because they charged even Manager’s salary to capital account. I do not think they managed the line at all well.

205. You do not think it is better that the Manager of a railway should have a personal interest in its success?—It might be better for the Manager, but not for the Government.

206. Since the General Government have had the management of the provincial lines, have they paid better than before or worse. Take the Port Chalmers line for example?—I do not think sufficient time has elapsed to allow of an answer being given to that question.

207. Is it not a fact that under the Provincial Government that line, after paying expenses, gave

Mr. Carruthers. 15 per cent. to the good, and that since the General Government has taken charge there has been a deficiency?—No.

20th Aug., 1867. 208. That is not a fact?—No.

209. Is it not a fact that the line when under the charge of the Provincial Government ran the lighters off the water, but that immediately the General Government took over the line the lighters again commenced to run?—I think that the lighters competed successfully when the rates were raised, but they gave way again when the rates were reduced.

210. The Government have reduced the rates?—Yes.

211. Then that is an admission by the Government that they were wrong in raising the rates?—Yes.

212. They have done the same thing in Canterbury, I believe. They have raised the rates, and in consequence the traffic has decreased. Is it not the case that in the month of June on the old terms about 240 cattle trucks ran, and that in the month of July, under the new tariff, less than forty ran; and is it not true that the difference is owing almost entirely, if not entirely, to the rise in the rates?—It may be that less trucks ran, but I may say that the Provincial Government were running these cattle trucks at a dead loss. The rates at which they carried cattle not only would not pay, but every truck was run at a dead loss. It is of no use running cattle trucks or anything else unless it pays.

213. But if you have the trucks, surely it is better that they should be turning something in than standing idle?—If it costs 2s. 6d. to run a truck and you only get 2s. for it, I should think the fewer you run the better.

214. I will take the line between Auckland and Onehunga. I see trains of empty carriages constantly travelling. If you fill those carriages at 3d., will it not pay you better than taking two or three persons at 2s. and running with the remainder of the carriages empty, which is very nearly the case at the present time?—That might be very well if you could fill the carriages, but it must be remembered you would have to carry eight times the number of people to make things equal.

215. *Mr. Stevens* (through the Chairman): Following up the questions put by Mr. Richardson, I would ask whether I am right in my impression that the failure in Victoria as to the construction of rolling-stock arose not on the rolling-stock constructed in the Government workshops, but in respect of the work done by private firms?—I believe it was in respect of work done by private firms.

216. Then your objection as to probable failure would not apply to the Government workshops?—I think the greater part of a certain class of rolling-stock might be manufactured by the Government, if the more difficult parts were imported.

217. Do you consider that on the constructed lines now in operation the working expenses bear only a fair proportion generally to the cost of opening?—It is difficult to fix any percentage as being fair: it depends so much on the traffic. The Southern lines are worked at 71 per cent. I think that is pretty fair. It may be rather high.

218. As bearing closely upon that point, I wish to ask you if any provision is made for depreciation or renewal?—None.

219. Are you of opinion that safety—I mean by that customary prudence—requires that such provision should be made?—I think it ought to be.

220. Is it customary?—I rather think it is not. It used to be, but the system is dying out.

221. What percentage do you think should be allowed annually?—I should think about £100 a mile; it somewhat varies with the state of the railway. If it is fenced it would take £100, if unfenced less.

222. What period should elapse from the opening of the line till such provision should be first made?—A couple of years or so.

223. Not earlier?—Construction is not finished until after two years.

224. As regards injuries or loss of life by accident, are you aware what is the custom in other countries?—I am not.

225. As regards accident to railway employes, arising from no fault of their own—supposing any one were killed or injured, through no fault of his own, in pursuance of his duty, is it customary on Government railways to make any fixed provision?—I do not think it is. I have no knowledge of the subject.

226. Do you consider such a thing would be calculated to be useful in the public service, as giving more confidence on entry into the public service?—I think it would be a very good thing to do; and the annual charge would be small.

227. Do you think that would be a better plan than for the Government to make special provision when occasion arose?—I think it would be better to have a fixed rule. I may say, there is a benefit society.

228. That is compulsory under rule 14. Do you think that is sufficient to make adequate provision for such cases?—Not in case of death. It is not like life assurance, which would leave a widow and children well off, but merely sufficient to pay wages and the doctor's bill in case of sickness or accident.

229. Would it not be equally advantageous if the Government would establish some provision which would dispense with the necessity of a benefit society?—I should be sorry to see the benefit society abolished, because it is an important educational agency; at the same time, I think it would be desirable to establish an assurance fund. A deduction from the wages might constitute the privilege to belong to this, or there might be a small subscription. I should think Parliament would be inclined to pass an annual vote to assist such a fund.

230. *Mr. Larnach.*] Do you not think that if tickets were issued, to be available at any time, and stamped just as a postage stamp, that that would sufficiently ear-mark them?—They would have to be stamped in the train.

231. Why not before they were issued by the Government?—I do not think the plan would work.

232. Do you not think the Government are just as likely to be cheated under the present system

as under that?—One great security against fraud now is the short date of the ticket. The whole fraud must be done at once. *Mr. Carruthers.*

233. That is your only objection?—Yes.

234. I understand you read the Victorian report to apply not only to locomotives but to all rolling-stock?—Yes.

235. I was in Victoria a few weeks ago, and, in conversation with people well up in these matters, learned that the only objection was to the engines?—The evidence that I have given on that point is entirely from memory. It is some months ago since I read that report.

236. I understand you to say it would be economy on the part of the Government to import stores from England. In such a case would not larger stocks have to be ordered, and the outlay greatly increased?—Not very much. The plan that would be adopted I should think would be to call for tenders for the supply for a year, delivery to be monthly. No doubt it would sink a large amount of capital.

237. If you were in the position of a large landowner, having a number of tenants under you, and requiring a large stock of butter, hay, and such things, would you not prefer taking it from them, even though you might save a little by importing?—If I could get it cheaper by importing certainly I should import, and get something else from them which probably they might be able to sell cheaper than the imported article. If I wanted to give them an advantage, I would rather lower their rent than give them a false value for their articles.

238. The Auckland Commissioners, in their report, say, "To make the lines pay two things we believe to be necessary, which will essentially change the character of the management: (1.) The responsible head must be at Auckland, on the spot where the business is to be done, and not at Wellington, where it is not to be done." Do you agree with that recommendation?—I do not.

239. The second recommendation is, "The responsible head, instead of being restricted by rigid rules and regulations, must have a discretionary power, and a personal interest in the line." What do you say to that?—He should have no discretionary power to alter charges without authority from the Minister, or to grant away public moneys.

240. Do you know any lines worked under the superintendence of the construction engineers?—Sir John Hawkeshaw is the principal man on the Liverpool and Yorkshire Companies' Railways, and there are others, I daresay, if I could look up documents. I do not think, when railways are completed, that he should have anything to do with them. He would drop into the position of resident engineer, and below the position of manager. I know, however, that there are a good many lines in England that are being worked under the superintendence of civil engineers.

241. These lines in England are working very satisfactorily and paying well?—Yes.

242. The regulations under which officers in the Railway Department are appointed provide that all appointments have to be approved by the Minister. I want to know if the General Managers have not really the matter entirely in their own hands, except that the appointments require approval?—Yes; and approval has never been withheld, except when there was good occasion for it.

243. Presuming that there was a change of Stationmasters found necessary, would such change be made by the General Manager instantly, without reference to Wellington?—Yes, if there was no increase of pay necessary, but a reference would be necessary if it led to an increase of pay.

244. *Hon. Mr. Ormond.*] But would not the alteration be made if required, and the recommendation for increase of pay forwarded afterwards?—The recommendation for increase of pay would be forwarded first.

245. But in the meantime what would be done with the office?—I do not think any alteration would be made until the increase of pay was agreed to. But so long as the telegraph is accessible it would make very little difference.

246. Supposing a Stationmaster misconducted himself, what would the General Manager do?—He would suspend him, and put another man in his place, I suppose. The thing has not occurred, so I do not quite know. I must say that I think generally there are too many small matters which have to go to the Minister for approval. I suppose it is in accordance with the practice of Government, but I think a small increase of salary might be left to the chief officer in the district, so long as the vote was not exceeded.

247. *Mr. Macandrew.*] Is it not laid down in the rules that no Stationmaster can be changed unless with authority from headquarters?—No; it is not in the rules.

248. I think you said the rates on some of the railways are lower now than they were previously. To what lines do you refer?—Canterbury and the Northern lines. They were higher in Canterbury, if you take in the Lyttelton branch.

249. Are they higher or lower in Otago?—They are lower in Otago.

250. Can you say whether or not the rates are lower for long distances?—They are lower, especially when the Lyttelton line is taken into account.

251. Can you give the Committee any information with reference to the relative charges on the lines of New Zealand and other colonies?—I think they are about the same. For instance, take the Victorian rate on fifty miles, drapery would be 29s. 2d.; in New Zealand it is 27s. 6d.; at the old Otago rate it would be 29s. 2d.; between Christchurch and Lyttelton it would be 19s. 4d.—that is under the old rate.

252. *The Chairman.*] What would it be by the New South Wales rates?—I have no information on that point.

253. With reference to the position of Engineer-in-Chief, what is your opinion? When all the lines are constructed will there be any necessity for an Engineer-in-Chief?—No necessity for him at all; he would then go away, and let the Manager take his place.

254. In what way would it work if an interference were allowed with the present duties of the Engineer-in-Chief?—It would practically leave the construction of lines to one with no reputation at stake, and one who would have no interest in keeping down the first cost of railways. It is difficult to say what a constructed line is. There are hundreds of thousands of pounds to be spent this year on

Mr. Carruthers. sections at present open for traffic, and it is not fair to put these into the hands of a Traffic Manager, who is very seldom a civil engineer.

20th Aug., 1877.

255. *Mr. Macandrew.*] Supposing all these railways were your own property, and you had sole control and management to make the most of them, is there anything which occurs to you as being the best course to be adopted in order to make them pay?—I should raise the rates all round.

256. Do you not think it would pay to run late and early trains to the Hutt at low rates, so as to induce working men to reside out there?—It has been tried, but without success; late trains run even now occasionally, but no one uses them.

257. A large township has sprung up on the Port Chalmers line, owing to the experiment being tried. I mean Ravensbourne?—Yes; but I do not think the Ravensbourne traffic pays.

258. The traffic must pay, and I thought a similar plan might have been tried with reference to the Hutt?—It has not been lost sight of. Mr. Smith, who was Manager, made several recommendations on the subject. Once he recommended that we should give a free pass for three years to every man who would build a house at the Hutt and go and live there. If I wanted to get all the money I could out of the railways I would raise the rates, except where there was a fear of competition.

259. *Hon. Mr. Richardson.*] In Mr. Wood's examination reference was made to the Auckland line, and to money having been made upon it by the Brogdens. I want to bring this out: Was not the line at that time new, so that the passenger traffic might be attributed, to a certain extent, to the novelty of the thing?—Yes, that is so.

260. Were not the passenger rates and charges on that line, when the report of the Auckland Commissioners was drawn up, the same as those which had prevailed when Brogdens were running the line?—Yes; I think they were.

261. When the rolling-stock was handed over, did it not require a large amount of money to be spent upon it to put it in order again?—Yes; you cannot supervise an engine; if you want to find anything out about it, you must take it to pieces.

262. Is it usual to run a lot of empty carriages when one would be sufficient?—It is a matter that is left to the discretion of Stationmasters; and I think that both here and in every other part of the world there might be a great deal more economy practised by running less carriages. It is a serious thing; but Stationmasters are fearful lest by a sudden rush of passengers the train should not be sufficient, so that very often more carriages are run than are necessary.

263. *Mr. Lumsden.*] Would it not be well to reduce the fares so as to increase the traffic. If you must run a certain number of carriages, would it not be as well to encourage people to travel in them?—I do not think so; for instance, you have a hundred passengers, from whom you are making £1 per head, if you halve the fares you would make only £50, so that you would have to carry twice the number of passengers you originally carried in order to get any profit on the reduction; and I doubt whether you would double the traffic.

264. But the public would be getting the advantage of the railway?—No doubt; but the question was whether it would pay the railway better.

265. *The Chairman.*] About leasing railways, can you explain how it is that the railway companies which in England lease their lines to one another manage to get the lines taken care of?—I do not know whether they take over rolling-stock or not. I do not believe we should be able to get contractors to take care of the rolling-stock.

266. I understood you to say, in answer to one question, that if you had the railways in your own charge you would make them pay by raising the rates?—Yes.

267. Do you not know that, as a fact, last month's work has shown a great falling off, which is owing to the increase in rates and fares?—No, I do not.

268. Have you seen this, the last *Gazette* (handing it to witness)?—This certainly shows a reduction as compared with last month; but the proper test would be to compare the month with the corresponding month of last year. The decrease may be owing to other causes than the increase in rates.

369. The traffic returns do not come through you?—No.

270. Very well, I will ask no more on the point. The recommendation in this report (E. 2, clause 62) as to increased mileage on heavy lines has not been carried out?—No.

271. The rates have been lowered on the Christchurch and Lyttelton line?—Yes.

272. And increased on the narrow-gauge lines?—Yes.

273. In reference to the sale of tickets at places other than the railway stations, I believe you stated that a shopkeeper who wished to sell would have to invest £600 if he had to pay for his tickets beforehand?—Yes.

274. He would not require tickets for every station?—If he were selling in Christchurch, I should think he would have to keep tickets for every station running out of Christchurch.

275. Do you not know that the system has worked very well in America?—I know it has worked most unsatisfactorily, and that many companies have abandoned it. I know as a reputed fact that hundreds of thousands of pounds have been lost by it.

276. Do you not think that a greater traffic could be brought about by giving increased facilities for obtaining tickets?—The trouble of going to the ticket office is scarcely worth talking about.

277. Then you think women and children may as well be crushed about as men are?—No; I think steps should be adopted for enabling people to get tickets more easily at the stations.

278. I think you said the cattle traffic in Canterbury had been carried on at a loss?—Yes, I think so.

279. Are you aware whether there is any traffic at all now?—I know it is much smaller, but that may be owing in some degree to the time of year.

280. According to a letter I have received, it seems that there is a good deal of dissatisfaction regarding the charges for carrying horses on the Canterbury lines. It seems if a person engages a horse-box, and pays so much for the first horse, exactly the same has to be paid for a second horse?—The charge is less for the second horse than for the first.

281. He says not?—I know for a fact that it is. I think the charge for the first horse is 8s. 8d. per ten miles, for the second 6s. per ten miles. After the first ten miles the rate is 2½d. per mile for the first horse, and 2d. per mile for the second. *Mr. Carruthers.*
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282. The same member suggests to me to ask you whether the exhibits at agricultural shows should not be carried absolutely free?—It is not a matter fairly coming under my notice; it is a matter for Ministers' consideration. The Government may think it desirable to encourage those things.

283. Can you tell us anything about the payment of the men. Under the new arrangement does a man get one day's pay less in the year than formerly?—I do not know; I think not. I cannot see how that could be, as they get paid by the day. If they work 365 days they will get paid for 365 days, and not for 364 days.

284. You have deducted a week's pay, or rather kept back a week's pay from the men?—Yes. The object is to make the men less likely to go off in a hurry. Under the old system there was two weeks' pay.

285. I understood you to say the expenses on the lines average 71 per cent.?—I can give the exact figures: by my report I see it is 73 per cent.

286. Is not that about 5 per cent. higher than when they were under the Provincial Governments?—No; I think not. I think the provincial lines in Canterbury stood at 84 per cent.

287. *Mr. Conyers* says 68 per cent.?—I am not certain on the point.

288. *Mr. Lumsden.*] I think you have said the Engineer-in-Chief might go away when the lines were finished. You do not mean to say that the colony could do without an Engineer-in-Chief? There must be one engineer higher than the other, I presume?—At all events, his duties will become less important.

TUESDAY, 4TH SEPTEMBER, 1877.

Mr. Carruthers.

4th Sept., 1877.

Mr. Carruthers recalled.

Mr. Carruthers: The record of the evidence which I gave on a previous occasion scarcely conveys my opinion on the subject of the sale of tickets outside the stations. It does not appear sufficiently distinct that one objection I have to such a system is, that I think there is a great risk of fraud being perpetrated on the Government if tickets are available after the day of issue. I may say that is the principal objection I have, because the guard, instead of marking a ticket, might simply put it in his pocket, and then find an opportunity of selling it again; whereas, if a ticket were only available for the day of issue, there would be nothing to be gained by a guard who kept a ticket.

290. Are you speaking of the form of ticket at present in use, or of any form that could be adopted?—Of any form that could be adopted, if it is worth money after the day of its issue.

291. Since you have said that, I would ask whether you have seen the railway tickets in use on the American lines, where they are available for six months after issue?—I came across the American Continent some years ago, and had through tickets to enable me to do so.

292. Do you think that the tickets in use leave any door open for fraud on the part of the guard or railway conductor, or whatever you call him?—I have not thought over the matter—that is, I have not given any special attention to it. The tickets I had were in the form of coupons, which were torn off during the journeys between principal places—there would be one coupon in the trip say between New York and Buffalo. I do not think a guard would be able to sell such a coupon to any shop, because nobody would buy it.

293. Then your statement or opinion would not apply to that kind of ticket?—Yes, because if you sold tickets between New York and Buffalo in the same form, the ticket would become valuable after it had passed into the possession of the guard. In America they do not sell these coupons except for through journey.

294. What is your opinion as to what should be the basis of calculation in fixing charges?—I think that the cost of maintenance and the original cost of a line should be taken into account in fixing the rates of charges, provided there is nothing in the way of competition to render an alteration in the rates necessary, so as to make the charges less than they would be if fixed on the principle I have alluded to.

295. Do you think railways should be made to pay?—That to a certain extent is a political matter. No doubt a railway should pay if possible, because if it could be shown that the railways of the colony were self-supporting, the credit of the colony at Home would be strengthened. Still there may be circumstances in which it would not be politic to insist upon railways being made to pay. There is another thing. I look upon the rates and fares as being simply a form of taxation, and I think it is better to throw that taxation upon the people who derive the greatest benefit from a railway—that is, those who use the railway most, and their customers.

296. I think there is some misapprehension as to your position in connection with constructed lines. Will you be good enough to explain what are really your duties in connection with constructed lines?—They are very slight, of course; all works that are charged to loan require my recommendation to go to the Minister, before any expenditure is incurred. That is the principal part of my duty. With the traffic I have nothing to do, speaking practically; that is left to the gentlemen in charge of the various departments of railways.

297. Do not all communications come to you, and are they not read by you, and minuted by you or by *Mr. Maxwell*, who, I believe, holds some position in your office?—Yes.

298. And then they go on to the Minister?—Yes.

299. Then, virtually, everything has to be brought under your cognizance?—Yes.

300. With regard to traffic and appointments?—Everything coming from the Traffic Managers, or persons in charge of the various lines, requiring to be brought under the Minister's notice, passes through me to him. But traffic is managed locally, and does not come under my notice.

Mr. Carruthers.
4th Sept., 1877.

301. For instance, tenders for the supply of stores, or tenders for the cartage and delivery of goods and parcels, does that come before you, or would come before you, for your recommendation before it went to the Minister?—You have taken two things together.

302. Well, take the stores first?—Yes, all contracts have to go to the Minister, and they go through me.

303. And you minute them?—Yes, and make recommendations.

304. And that holds good with reference to the other matters?—Yes.

305. Would you decide which is the lowest tender?—No; it was only the other day that a case arose, and it was sent to Mr. Conyers to give an opinion which was the lowest tender, and the matter was decided in accordance with his opinion.

306. Only upon the question which was the lowest tender?—The question of fact was remitted to him.

307. Supposing he had advised that even the lowest tender should not be accepted, what course would then have been taken?—In that case, the matter would have gone to the Minister with my recommendation upon it, as well as Mr. Conyers'.

308. What is the position of affairs in the North Island?—The Managers of the various lines have no superior officer between themselves and me. They communicate direct with me. That is only since Mr. Passmore has left the service, as he has not been replaced.

309. Do you think the railways are being satisfactorily conducted in the absence of Mr. Passmore?—I think it would be very much better if an officer was engaged to take his place.

310. Do you think he should be a professional engineer, or a business man who has a knowledge of railway management?—I think he should be a professional man. A business man would be of no use whatever. A business man would simply take the place which a Minister takes. The Minister, I presume, is supposed not to be a professional man, but a business man.

311. You would recommend that a civil engineer should manage the railways?—A civil engineer or a mechanical engineer.

312. I wish to ask you about another thing. Do you think it is desirable that steel rails should replace iron rails on the curves; would it not give greater security?—It would not add to the security, but it might be economical; but even then it depends upon the traffic. Where there is a large traffic they are more economical; where there is but a small traffic they are not. The Government have taken the opinion of a consulting engineer in England on the subject of steel and iron rails. He is entirely in favour of iron, but I do not agree in all that he says. I think where the traffic is heavy steel rails may be used with advantage, if the Government is in a position to pay the increased cost.

313. *Mr. Macandrew.*] What is the difference in price between the two kinds of rails?—It varies very much. The present difference in price is very small—about 30 per cent. I think.

314. Would not the difference in weight equalize the difference in price?—No; you cannot reduce the weight in the case of light rails. You could not use a steel rail of less weight than a 52-lb. rail with advantage; it would not be safe to have a 40-lb. steel rail.

315. *The Chairman.*] Is it not a uniform practice to use steel rails because they are lighter than iron?—It is sometimes, where such rails as 80-lb. rails are being used; but you could not put in a 32-lb. steel rail for a 40-lb. iron rail.

316. I will just read you an extract from the report of the Commissioner of Railways in Queensland. He says, "The renewal of rails, fastenings, and sleepers is also an expensive item of maintenance, and the adoption of steel rails on all curves would tend much to economy in this respect. The steel rails on the range land some years ago prove this incontestably." Your answer is not in accord with that?—No.

317. What is the cost of those of our engines which have been manufactured in England?—From £800 to £3,000.

318. How will they compare with the engines in use on the Great Northern line in England?—In what respect?

319. As to cost and power?—Our heaviest engines are much lighter than their heaviest engines; still they are very heavy and powerful engines.

320. How do they compare in respect of sort?—There is little if any relative difference. Our engines were contracted for in England, and we had to pay the same as an English company would have had to pay for the same engines.

321. *Hon. Mr. Ormond.*] Mr. Brown was asking you in reference to the management of the railways. There was one point that did not come out. You said that the Managers on the North Island lines had complete charge. What I want to ask you now is, does that apply to the charge of the locomotives and permanent way, or is that part of it under some other officer?—It was under the engineering staff.

322. The Superintending Engineers for constructed lines have now the charge of that part?—Yes.

323. Do I understand you are of opinion that, with regard to the local Managers, it would be better to have an officer to superintend them than to have an officer to superintend the traffic only?—I think it would be better to have a higher officer over them.

324. There is a question with reference to a point which Mr. Brown also examined you upon, in reference to the position of the Superintending Engineer with regard to the approval of the Minister. The two questions which Mr. Brown asked you about were as to requiring the approval for tenders for stores?—For contracts for stores.

325. It does not apply to stores that are wanted?—No; the Superintending Engineer or local Manager would purchase any stores required which were not to be paid out of loan.

326. When a yearly tender is to be called for, the practice is for the Superintending Engineer to send the tender up, with his recommendation on it, for approval?—Yes.

327. It comes to you?—Yes.

328. And what is done with it?—I would make a recommendation in addition to that of the Superintending Engineer.

329. Then, with regard to the tenders for the cartage of goods from the railways, that was a point on which you were examined. You are aware there have been cases of that kind lately?—*Mr. Carruthers.*
Yes. ———
4th Sept., 1877.

330. The tenders came with a recommendation on them from Mr. Conyers?—I think not; I think that some of the tenders were not received there. They were received at different points in the colony, and came first to Wellington, and were then sent to Mr. Conyers for recommendation and remarks.

331. And they came with a recommendation from him?—Yes.

332. What did you do with it; what did you recommend?—That the lowest tender should be accepted. There was considerable doubt as to which was the lowest tender. Mr. Conyers said it was the lowest in one case, and that the lowest should not be accepted for one reason, that the tender which was not the lowest was by a good man, whom he knew to be a good man.

333. And what was done on that recommendation of his; was it approved or not?—No; the lowest tender was accepted. Mr. Conyers was first asked whether the lower tenderer was a good man.

Mr. Conyers.

15th Aug., 1877.

WEDNESDAY, 15TH AUGUST, 1876.

Mr. CONYERS examined :

334. *The Chairman.*] Will you state what position you hold on the New Zealand Railways?—I am Superintending Engineer of the Southern Railways, in the late Provincial Districts of Otago and Canterbury.

335. Will you be kind enough to state generally what are your duties and powers?—It is rather difficult to do so. My duties are varied, and extend to the maintenance of the lines, the locomotive department, and the traffic department. My assistants are the engineers of permanent way, locomotive engineers, and traffic managers, but I exercise control over the whole of the working system. With regard to my powers, do you mean the power the Government places in my hands?

336. Yes. Will you state generally what are the restrictions imposed on you by the Government?—Relative to the different staff under my control, I have the power of dismissing or employing men. The officers who assist me I have the power of reporting, or suspending them from duty.

337. Will you state particulars respecting the tariff of railway charges and the running of trains?—The tariff of charges I cannot touch or in any way alter. I can make no reduction of any kind to anybody. The running of the trains I fix myself. The time-tables I also arrange. I have never submitted to the Government my time-tables.

338. What was your position in connection with railways previous to your present appointment?—In Otago I was General Manager of the railways.

339. Had you more authority then?—Yes; I had power to treat with the public. I will give you an instance. We had there lighters competing against the railways. In case vessels came in, and a lighter made an offer to take the cargo below railway charges, I could step in and offer to do the work cheaper. I also had full power to take on or put off officers, always reporting to the Government what I had done. The Government never interfered in these things. Any complaints or grievances that were sent to the Superintendent he referred to me. So long as the railways were worked with satisfaction to the Government and the public, there was no interference.

340. Are you prepared to state, as far as your judgment is concerned, the general success or otherwise of the railway management under your control in Otago?—The Government found no fault, and I have heard of no complaints.

341. When was the late Railway Commission appointed?—I do not know.

342. Were there written instructions given to the Commissioners?—I never saw any instructions. I was requested to go from Dunedin to Christchurch by the Engineer-in-Chief, but I have never heard of any instructions being given.

343. You elected your own chairman for that Commission?—Yes; Mr. FitzGerald.

344. In the report furnished by the Commissioners I see, Mr. Conyers, that they have recommended—and I also observe that the Government have since adopted the recommendation—of having weekly accounts kept, and rendered weekly to the Central Audit Office, Wellington?—Yes.

345. Will you tell the Committee whether such a change as that was absolutely necessary, and whether you think it imposed more work?—I should like to say now that I did not agree with the whole of the report made by the Commissioners, although I have signed it. Perhaps I should have written a separate report myself. I do not approve of the weekly accounts.

346. Do you think it makes more or less work for the railway officials?—It increases the work.

347. How many returns have to be made now to the Wellington Department?—I really cannot say for certain, but, speaking from memory, perhaps twelve or fifteen weekly returns are now required from every railway station throughout the colony.

348. You do not know whether it is fifteen or seventeen?—No, I do not. I should like to say that concerning the returns and forms I have no fault to find. My objections are in having the weekly system in place of the monthly. The weekly system means that all the returns have to be made out four times instead of once. It is simply repeating the work over and over again, and in my opinion unnecessary.

349. Has there been any addition to your staff since the adoption of the new system?—Only temporary.

350. Do you still think that additional staff assistance will be needed?—Only in head offices. The extra assistance required lately was owing to the period being a busy one. We were making out the annual returns, and preparing the yearly balance-sheets. The new system came into operation on the 1st of July, and the changes consequently further increased the work.

351. What modification would you recommend with regard to the weekly accounts?—It frequently happens that forms have to be changed, and modifications introduced, and that could be done as

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necessity required. I believe that the system of forms will work admirably well. I am strongly in favour of the monthly system, instead of the weekly system.

352. I would like to know if you would have a system of audit for the North Island and a system for the South, or one and the same system for both islands?—I think it would be well to have an Audit Office as near to the work as possible, in order that errors might be speedily corrected. If any Audit papers are, on arrival at head office, found incorrect, it takes considerable time to send them backwards and forwards for correction, and much delay arises in consequence. It would be an advantage to have a local Audit Office. It might be under the supervision of a Commissioner of Audit here (Wellington), and subservient to him. But I think the result would be better if the audit could be conducted as near the work as possible, and as centrally as possible. I would not recommend two systems—one for Otago and one for Canterbury; but one system of audit, and directly under the Commissioners of Audit. Under the present system there are certain calculations that have to be gone through four times in each month.

353. As to a Central Store Account the Railway Commission reported in favour of it. Is it not so?—Yes.

354. I suppose you remember exactly what was recommended?—Yes.

355. In connection with that part of the subject I will read to you the following: "With respect to the system of dealing with stores, we find that on the Canterbury and Otago lines no complete basis has been established in which inspection and accounts are combined. On the Northern lines the recommendations of the Commission on stores and workshops, stated in the report dated 23rd September, 1875, have been carried out, and generally it has been found that the system recommended works well." And the Commissioners state they have taken the whole question into consideration, and recommend that the Northern system, with certain modifications be adopted. Do you think it would be an advantage to have a Central Store Account?—I find nothing unsatisfactory under the present system. There is a Storekeeper in Christchurch, Dunedin, and Invercargill, and practically we have local stores, and the officers in charge of them deal with Wellington. I send in a requisition for stores to the Storekeeper. Should he have none of the goods in stock, he has power to get what-ever may be required.

356. Has he power to purchase without authority?—Yes.

357. Under whose control is the Storekeeper's department?—Under the Superintending Engineer.

358. Do you think there is any advantage in calling for tenders in England to supply railway material for the colony?—I do not think so; we must import a very large stock of material to meet the requirements of the railways, much of which might lie by for years. It is impossible to foresee exactly what would be actually required. By purchasing locally we keep the Suspense Account much lighter. To purchase from the Home country the Government would have to expend a large sum of money; everything would have to come direct from Home, or none at all.

359. Then you do not think it would be much of an advantage to obtain the supplies for the railway from Home?—No; it would, in my opinion, be injudicious, and would be found disadvantageous. It was tried in Victoria and given up.

360. I saw that some time ago ticket-sellers were placed on the line?—Yes.

361. There is no mention made of it in the report?—I do not remember. It was stated that these travelling ticket-sellers were on the Northern Railway lines worked by Mr. Passmore, but I opposed the idea.

362. Did you not appoint them on the line?—Yes, but I was instructed by the Engineer-in-Chief. His reason was that the guard should not leave the break-van to examine tickets, in case accident might happen in consequence of the guard's absence.

363. Then you think the travelling ticket-sellers were altogether unnecessary?—Yes; that is my opinion. As an experienced driver myself I should say, as a rule, the drivers do not rely upon the guards for assistance. Besides our speeds are very moderate, and the driver can very promptly stop the train in the case of danger.

364. Will you state to the Committee the amount paid to ticket-sellers on the railways in your district?—The annual amount paid in the Canterbury and Otago Districts is about £5,000.

365. With regard to the classification of merchandise or goods, a very elaborate classification has been made. Do you really think it is necessary?—The system is not nearly so elaborate as many. I thoroughly approve of the present system and the mode of classification. In England the classification is altered nearly every month. It is only by actual practice that the alterations required can be ascertained. If the classification bears hardly on a particular class of goods, it should be altered to meet the case. I believe in goods being carried by weight. We cannot carry furniture at the same price as iron, nor silk at the same rate as calico. The tariff varies according to the nature of the article, as carriage by rail is subject to the law relating to common carriers.

366. In Otago had you not a different schedule of charges?—We had different forms of classification there. Different rates were charged for general merchandise, bar iron, and for what is termed "outside traffic." But we had no elaborate system of classification.

367. You had the option of taking the goods by measurement or weight, had you not?—Yes, on the Port line; but in the country we carried things by weight. Furniture and light goods were carried by measurement, allowing 80 feet to the ton, and all other goods carried by actual weight.

368. And did you consider that system troublesome?—There was no trouble.

369. Suppose, for instance, under the present system, you were getting half-a-dozen different parcels forwarded by the same train?—The largest parcel would decide the class under which the others would be charged, then all would go as one lot.

370. You have had complaints about that method?—Yes, we had at first, but there are few complaints now. In the beginning many blunders were perpetrated; now that the method is better understood there are fewer complaints.

371. Do you now in Canterbury carry timber at the same cost to the consumer as elsewhere?—Yes.

372. Does not the consignor pay a great deal more?—All pay just the same.

373. Is it not true that in Canterbury and Invercargill the railway trucks differ in size?—The trucks have all been made from the same standard drawing, and are used throughout the colony. *Mr. Conyers.*

374. Has there not been much complaint in Canterbury respecting the weighing of goods, because the Government undertakes to furnish to a consignor the weight of a consignment of goods, and practically refuses to do so?—Yes, I am aware of that. *15th Aug., 1877.*

375. Do you think it right for the Government to do so?—I think the railway should weigh goods for its own purposes only, and that the Government should confine its work simply to the carrying of goods; much time is taken up in a case where a large quantity of grain has to be weighed, when every bag passing through the shed has to go on the scales. I am strongly opposed to this course, also to that of giving weigh-notes. Goods should be carried at the weight given, and charged accordingly. Should occasion arise when it would be thought that the wrong weight had been given, then the goods should be weighed at the railway station for the purpose of checking; and in the case of an attempt at fraud the law provides for the severe punishment of the person offending.

376. You would recommend, then, that the practice of giving weigh-notes should be discontinued?—Yes; I have already recommended that course. All such things tend to block the traffic on a line, and increase the responsibility of the department. I will give an example: A farmer brings, say, 50 tons of grain. It is found necessary to store it, during which time a great deal of the grain becomes damaged by rats, then the Government are expected to compensate the owner.

377. You recommend discontinuing the issue of weigh-notes?—I am thoroughly opposed to the Government giving weigh-notes. In my opinion the Government should provide for nothing beyond the carrying of goods.

378. Then you are opposed to the Government storing goods and grain?—Yes; all our storage rates should be prohibitory, or so high as to be rarely used.

379. Do you think you could obtain suitable officers from your own staff for the Audit Department—men good at accounts?—Yes; we have men quite competent for such duties. Some have been appointed Travelling Inspectors.

380. You have at present men who perform the duties pertaining to audit work?—Yes; there are men in the Railway Department now fully equal to the task.

381. The Commissioners, in their report, recommended town delivery. They say, "We are strongly of opinion that it is desirable to adopt the system of delivery, but that the delivery be by a carting contract at all large stations, and to apply it to all goods received for delivery, but that the delivery charge should be separate from the railway charge, and it should be open to the consignee to cart his own goods"?—I fully approve of the first portion of the clause relating to town delivery, but am strongly opposed to any consignee being allowed to cart his own goods.

382. Is it not making a farce of the whole thing by the Government calling for tenders for cartage, and inserting such a clause as you have referred to?—There is a legal difficulty in the way.

383. Would it not be well for the Government to do something to remedy the law?—Yes; I have already suggested to the Government that some action should be taken. The cartage charge should be made part and parcel of the terminal charges. We have terminal charges for handling goods. The cartage charges should be added in every case. This is done in England. In Dunedin and Christchurch the terminal charge should be increased from fifteen to eighteen pence per ton for cartage. It is very unfair to the contractor to have a clause inserted by which the consignee may take the work out of his hands.

384. I wish to ask you if you think it possible to introduce the system here of railway parcel delivery?—The same system as is now in operation in America?

385. Yes, the American parcel-delivery system, by which parcels and luggage are forwarded by the railway authorities?—It is a matter coming more within the scope of a private company. I am of opinion it should not be introduced by the Government. According to the American system you might book a parcel from here for Melbourne, and the company would see that it reached its destination, one payment sufficing. The American system has agencies established in all parts of the world for the delivery of parcels and luggage. You might, for instance, on landing at New York, hand your luggage to an agent, and without giving you any further trouble he would have it booked to any part of the world.

Mr. Macandrew: If I were going from Wellington to England, according to that system I understand I need only hand in my luggage to the station here, when it would be sent on without any further trouble on my part?

The Chairman: Besides this, you could have access to the luggage on the way.

386. *Mr. Macandrew.]* Do you think, Mr Conyers, that the traffic in New Zealand would be adequate for the support of such a company?—I cannot say.

387. *The Chairman.]* I would like to ask you if you have had experience on Christchurch railway lines when the traffic has become blocked?—Yes, lately I was three weeks in Christchurch during a block.

388. Was that attributable to want of rolling stock?—I attribute the cause to many things. I have referred to the subject in my annual report, where I state, "The inconvenience hitherto experienced has, in my opinion, arisen principally from the following causes—viz., insufficiency of rolling-stock, break of gauge, and the bad arrangements of the Christchurch and Lyttelton station yards. The work of assimilating the gauge and relaying the Christchurch yard will be commenced at once, and as a large number of wagons have been ordered from Home I am sanguine that the next year's arrangements will prove more satisfactory to the public." No matter what rolling-stock we have, great attention in the grain season is necessary to prevent blocking. Millions of bushels are brought to the railway stations in the country when the farmers are all threshing their grain at the same time. The increase expected next season over last year's yield is 30 or 40 per cent., a large area of agricultural land having lately been sold and placed under cultivation.

389. *Mr. Reader Wood.]* Would it be necessary to increase the number of railway wagons?—It is no use rushing the grain into the port quicker than it can be got rid of there. It would require a large number of vessels to take the grain away as rapidly as the farmers bring it to the country stations.

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Mr. Bunny: That is the grievance of Canterbury.

390. *The Chairman.*] I see there is to be an increase in the number of railway wagons?—Yes; I mentioned yesterday to the Engineer-in-Chief that more wagons should be placed on the line. On the broad gauge-wagons I place very little faith at present.

391. Is the number of railway wagons, 300, to be added to those now running, instead of the 287 broad gauge?—Yes.

392. I think you have suggested that the ironwork be prepared at once in New Zealand, to use up the surplus wheels?—Up to the present, we have used none of the spare wheels that have come out from England. With this extra material we could probably build fifty wagons. These would be in addition to those already ordered from Home.

393. Are you aware whether the new Harbour Board have urged upon the Government the impropriety of obstructing ships' gangways through allowing trucks to remain on the wharves at night?—Yes.

394. Do you think the Harbour Board should have authority to interfere with the whole railway system?—I do not know. I should pay no attention to interference with work connected with the railway.

395. Suppose the Board gets a Bill passed empowering them to do so?—I do not think it would be right. The management of the wharves should be in the hands of the Railway Department. There is, I think, no objection to the Harbour Board looking after the condition of the wharves, keeping them clean, and looking after masters of vessels; but all matters relating to railway working, the moving of the trucks, and so on, should rest with the railway authorities.

396. *The Chairman.*] Are you aware that the Harbour Board claim rental on all the railway stores and stations?—I have heard so, but not officially.

397. Do you think the Government ought to keep the sole control and management of all trucks and stores on those wharves?—Yes.

398. Suppose the Harbour Board were really a body in existence now, do you think it could prevent the loading of the railway trucks at any time?—Yes; that is to say, if the Harbour Board could not stop the loading of the railway trucks, it could prevent the ship from giving or receiving such loading, because masters of vessels are under the control of the Harbour Master.

399. *Mr. Reader Wood.*] Can you inform me what the traffic returns are in the Provincial District of Otago per year or month, or say on the whole system?—The traffic returns vary. On the Christchurch Section they are about £26,000 per month; on the Dunedin and Invercargill Sections about £11,600 per month.

400. What is the amount of the expenditure? Can you divide it, so as to show the ordinary working expenditure on the lines, and at the same time the cost of maintenance?—Yes; on the Dunedin Section the maintenance for last year was £16,412; locomotive power, £16,901; traffic charges, £22,676; general charges, £1,670—making a total of £57,659; the profit on the working being £31,480.

401. Do you think the sum £31,480 is to be fairly called a profit?—It is available for the payment of interest.

402. What do these lines cost?—I do not know.

403. How many miles in Dunedin?—About 83 miles.

404. What I want to get at now is the cost of all those lines, and what the working expenses are, so that we may fairly strike a balance, and see if, as a business transaction, the railways of New Zealand are carried on at a profit or loss?—I cannot furnish you with the information you desire. I wish to make one statement, to the effect that it is hardly fair to test the question of profit and loss in that way until the whole of the lines are finished. Large sums have been paid for works in progress on lines that are still unfinished.

405. I refer to the completed portions?—The traffic will increase enormously as the lines are finished, and it increases as the construction of the lines progress.

Mr. Reader Wood: That I admit.

406. *The Chairman.*] The actual expenditure on the railway hardly comes within the scope of our inquiry?—What I always look at is the proportion the working expenses bear to the receipts. If I can get within 60 per cent. I am satisfied. I secure for the railway all the traffic I possibly can legitimately. After that is done, if the line can be worked for 60 or 65 per cent. of the receipts, the result I consider is satisfactory.

Mr. Macandrew: Mr. Conyers, I suppose, thinks that if he expends 60 per cent., the remaining 40 will suffice for interest.

407. *Mr. Reader Wood.*] Are there any one of the lines that you know paying interest on the working expenses and maintenance?—I cannot answer that question. I do not know what the lines cost.

The Chairman: Mr. Carruthers is the officer to answer that question.

Mr. Conyers: The Port Chalmers Railway paid about 15 per cent. when separate accounts were kept.

408. *Mr. Reader Wood.*] That was about 10 per cent. over the interest. Do you know any other line that has done so well?—I do not. My object is to obtain as much traffic as I possibly can—in fact, to get all the traffic, if possible, and to work the railway as cheaply as it can be done.

409. *Mr. Reader Wood.*] What do you do to get all the traffic?—Induce the Government in certain cases to lower the rates.

410. *Mr. Bunny.*] Could you suggest any alteration? If the management of railways were entirely in your own hands, could you cause the traffic to be materially increased? You try all you can to get traffic, but you are trammelled by the tariff?—On one line I could mention, where the loss has been heavy—the Port Chalmers line—an improvement could be effected. Although the Government have lowered the rate, it is not low enough yet. The old rate on the Port Chalmers line was 6s. per ton, including delivery. Our reason for that special rate was that lighters competed with us. They could lighter the goods and also deliver for about 6s. a ton. It would have been better had we reduced the rate to 5s. 8d. Under the new tariff the rate was considerably increased. It was increased to about 7s. 8d.

411. *Hon. J. D. Ormond.*] To 7s. 8d., the uniform rate?—There is another case similar to the one

quoted where the uniform rate should be put on one side. There would be no use in paying attention to the fault-finding that would follow such a change. Where circumstances vary, the tariff should be changed. On the Port Chalmers line a reduction of 1s. 4d. has been made. The rate now is 6s. 4d., against the old rate of 6s. The lighters are working for 6s., or a little under. I would recommend that the rate be reduced to 5s. 8d., or even lower if necessary, in order to gain the traffic. It would also be well to adopt the principle of the Victorian Government. They carry all ship's goods according to the ship's bill of lading, or at a rate of 5s. per ton.

412. *Mr. Macandrew.*] When the Southern provinces had the management of the railways they took the ships' manifests?—Yes; on the Victorian railways everything that goes into the sheds is charged for at one uniform rate.

413. *Mr. Bunny.*] To whom are you responsible in the Railway Department?—To the Engineer-in-Chief.

414. If it were left in your hands could you see your way to reduce your staff?—Yes; I could reduce the staff so far as the ticket-sellers are concerned. That reduction alone would effect in salaries a difference of £4,000 or £5,000 a year.

415. Doing away with the weighing of goods would not be a saving, would it?—No, as we are paid for the work. Great savings have been effected during the past five months on the Christchurch Railway. A saving in oil alone has been made amounting to £300 per month.

416. Has the expenditure been increased under the General Government?—Very slightly, if at all.

417. I do not know whether you have seen the Report of the Auckland Railway Commissioners. There is a charge of six guineas in it upon which I would like to have your opinion?—I have not seen it. There is an item in this account to which I would object.

418. It seems to me that the charges shown on that are excessive?—The charge of six guineas seems rather high.

419. *The Chairman.*] The six guineas is at the rate of 3d. a mile.

420. *Mr. Bunny.*] It seems to me that the charge for wear and tear absorbs the whole lot?—It costs 3s. 9d. a mile for working a train.

421. *Mr. Reader Wood.*] The price charged is enormous in comparison with the cost?—If we had double the number of trains the cost would be much lower.

422. Respecting the charges for special trains on a line like the Auckland and Mercer Railway, there is any quantity of time for despatching special trains?—As to the hiring of special trains, I would reply to your remarks in this way: A School Committee come to me and say, We want to give our children a treat. I would say to the Committee, How many children have you? Eighty, perhaps, might be the answer, and the Committee would endeavour to get the train as cheaply as possible. If they wanted to go a short distance, I would ask them could they afford to give £4? or, if not, I would accept £3.

423. *Mr. Bunny.*] Then you would not lay down a cast-iron rule of a pound a mile? That is to say, you would act just the same for the Government as if you were acting for a company?—Precisely, in such cases as I have alluded to. My only objection to special trains is the danger of putting one on a line suddenly. I think a special train despatched for a doctor or under other urgent circumstances should be charged for fully.

424. That would be taking advantage of the position a man would be placed in.

The Committee rose at 12.30, and adjourned until to-morrow at 11 a.m.

THURSDAY, 16TH AUGUST, 1877.

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MR. CONYERS examined.

425. *Mr. Macandrew.*] I understand, Mr. Conyers, that for many years you have been connected with railway work, and have gained great experience in the practical working of railways in all their departments—as a mechanical engineer, traffic manager, and as general manager?—Yes; I have been engaged in the different capacities named for about nineteen years.

426. The system of railway management adopted in Otago prior to the Colonial Government taking over the railways was founded very much, if not altogether, on your suggestions?—Yes.

427. And that system, so far as it went, has been found to work eminently satisfactorily?—Yes.

428. Would you be good enough to explain to the Committee the system of audit established at your instance on the Otago lines?—The auditor was appointed by and directly responsible to the Provincial Treasury—that is, he was outside of my authority at my own request. I gave him such assistance as I could in obtaining all the necessary papers and seeing that the stationmasters performed their duties properly towards him in forwarding their returns. The cash from all the stations was sent to the railway cashier every morning, at the head office, Dunedin, where it was checked with the accompanying returns, and then paid into the bank and duly certified to. The cashier checked nothing but the slips, and simply paid the money into the bank. He had a proper set of books, and kept a debit and credit account against all the stations in the country, and certified to the amount received from each station. There was also a travelling auditor, who travelled from station to station. His business was to check the books of each station he visited, and see that they were kept in order and conducted properly. He had also to see that all documents were filed and placed on record, and also to see that all goods delivered were properly signed for by those to whom they were delivered. Such was the work to which the whole of his time was devoted.

429. Under that system would it have been possible for any of the employés having the handling of the money to keep any?—No, unless two of them were in collusion. To give an instance: The stationmaster at Port Chalmers forwards goods to Balclutha. These two stations are sixty miles apart. The goods conveyed are shown on way-bill. It states the name of the sender of the goods,

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and the person to whom consigned, also the amount of carriage to be paid to the Government, and whether the charge is to be paid by the consignor or consignee. When the stationmaster has written out these particulars, he takes a press copy of the return. The original the guard takes with him, and satisfies himself that there are no goods in the train but those specified in his return. On reaching their destination the goods are checked with the way-bill. Then the rates are checked and initialled. This way-bill is retained at the station until the end of the month, when an abstract is furnished of all the goods that have passed through the station during the month. The way-bills used state precisely what has been paid and what remains to be paid on the conveyance of the goods. They are numbered consecutively, and must correspond with the copies in the letter-books. At the end of the month each station sends its return separately direct to the Audit Office, where the returns are checked and compared, and if an error of a penny has been made it will be at once detected. Thus it would be impossible for any stationmaster to take a single fraction of money without collusion. Even then there would be great risk and difficulty, and it could not continue long without discovery, as the guard and others on the line would have to be parties to the fraud. Such is the English system, and such is the present system—with this difference, however, that our travelling auditor checked way-bills at receiving stations. They are afterwards useful for reference. The Commission that sat in Dunedin resolved that these way-bills should be sent to Wellington. I was opposed to this course, and the question was eventually compromised by sending a press copy. The travelling auditors can very well check these way-bills when they pay their visit of inspection to the different stations, for they are already checked by the receiving station clerk. Under any system, when the returns are checked and found to contain errors, a fine for each mistake should be imposed.

430. Have you the same number of officers on the Audit staff now as you had before?—Yes.

431. Then in point of fact this centralizing system of Audit entails additional expenditure, and does no more work than was done before?—We have the same local staff.

432. Could any saving be effected in the Audit Department if the whole of the auditing for the South Island Railways were carried on in the one office either at Dunedin or Christchurch?—Yes, undoubtedly. Instead of two heads being required for the department as at present, one being in Dunedin and one in Christchurch, only one would be needed, and he would supervise the whole of the Audit Department.

433. Is it your opinion, Mr. Conyers, that it would be much more efficient and economical were the auditing performed in the Middle Island either at Christchurch or Dunedin, and returns made monthly instead of weekly?—I am of the opinion that the adoption of such a plan would save labour and money, and be more satisfactory to every one concerned.

434. I understand you to say yesterday that a saving of £300 a month had been made since you took charge of the Canterbury lines. Will you be good enough to explain how that saving has been effected?—That saving was made from oil alone. The whole of the railway stock, carriages, and wagons were oiled every few miles by men appointed for the purpose. I saw a requisition prepared for an enormous quantity. I said there must be something wrong in requiring such a large supply as that, and found that the same quantity was obtained every few weeks. I called in the locomotive engineer to make inquiry of him on the subject, and told him that there must be something wrong somewhere in consuming such a quantity of oil; also that the matter should be thoroughly investigated. After he had gone into the matter fully, we found that the oil had been actually wasted in oiling the vehicles. They were getting oiled every twenty miles instead of every two thousand; the result being that the quantity of oil now consumed is so much reduced that a saving is effected of nearly £4,000 a-year.

435. What is the practice with regard to oiling vehicles in the North Island?—I do not know. Every railway-man who understands his work knows pretty well the quantity of oil that should be consumed by the number of miles travelled.

436. How many months' supplies of stores do you generally keep in stock?—About three months. It frequently happens that we have to requisition for stock within that period.

437. Are all supplies got by public tender?—Yes; from Briscoe and Co., Dunedin.

438. Has there been any falling off in the receipts since the new tariff has been adopted?—In Dunedin.

439. Generally?—I cannot speak much about Christchurch, as my experience there is limited. There is a considerable falling off in the receipts since last month, but that is accounted for by the grain season being over.

440. Taking the Otago portion of the lines with which you are familiar, is there a falling off in the receipts?—The Balclutha line has not fallen off, but the Port Chalmers line has decreased in receipts of about £300 a-week. The passenger traffic is also showing a great falling off on the Christchurch Section.

441. It has been alleged that in the blocking up of the Canterbury lines much was owing to the incapacity of the Christchurch Manager. Is that so?—I consider the present Manager, Mr. Lawson, a very competent man, and one possessing large experience in the management of railways. He has served a long time on the English lines. He has a thorough knowledge of the books necessary to be kept, and matters pertaining to audit. He does not however possess a knowledge of engineering: he does not profess it, his business being simply that of Traffic Manager. He holds a corresponding position to that of Mr. Grant, in Dunedin. I consider Mr. Lawson a steady, energetic, hard-working man.

442. Do you think this blocking would be obviated if you were to levy a prohibitory rate of storage, the same as has been done in Dunedin?—Such has been done in Christchurch.

443. I suppose I need hardly ask your opinion as to this point—namely, that in order to carry on the effective working of railways, the management must be as direct as possible; no "red tape" should be used if it can be at all avoided?—Yes, direct and prompt management are requisite. I may state that the General Managers on English Railways have full power to deal with all ordinary matters that arise, and when they have taken action to report the same to the directors to whom they are

responsible. The duty of a manager is to make the lines pay. The power reposed in a man placed at the head of a railway department should be considerable. He holds a very responsible position, and has a great deal of hard work to get through, and unless he possesses considerable authority it cannot be got through. Mr. Conyers.
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444. What is your opinion with respect to the 14th clause of the Report on the Management of New Zealand Railways, relative to the abolition of return tickets altogether?—I have no objection to the issue of single tickets only, but I do not know exactly how it would answer. It is a very serious innovation. On some grounds it may be recommended. The adoption of such a course would necessitate the keeping in stock of only half the number of tickets at present in use. A saving would also be effected of a considerable amount of clerical work.

445. I understand that in the United States return tickets are issued for any period of time?—I see no objection to doing so here. The only difficulty would be in not knowing the time the people would be coming, in order to have the necessary accommodation provided for them.

446. *The Chairman.*] It happens here that a large number of tickets are at times sold without due regard being paid to providing sufficient accommodation for the passengers?—In Otago we formerly issued return tickets at single fares for any distance. Under the new regulations return tickets are not issued for stations within twenty-five miles of the station from which they are issued.

447. You commenced on the railway as a mechanical engineer?—I was articled as a locomotive engineer for six years, and have been nearly nineteen years subsequent to that engaged on railways in the capacities I have already named.

448. *Mr. Bunny.*] You said, yesterday, you would throw some light on a sum of six guineas shown in the Report of the Commission on Auckland Railways, and chargeable under the head of "Wear and tear of line, engine, and carriage, in the hire of special train from Auckland to Mercer"?—Yes; I think the sum of six guineas charged is very high. I have also looked at the cost of wear and tear on the Auckland and Mercer line and it amounts to 3s. 1d. a-mile. A special train can be worked cheaper than an ordinary train as no extra assistance is required. As to the charges for special trains on the Auckland and Mercer line, I cannot account for them being so high, knowing that no extra hands need be taken on to run them. The detailed items of expenditure shown in the charges for a special train in the Commissioners' Report are exorbitant. In working a special train it would not be fair to take the average cost per mile for the number of miles run as the sum chargeable, because no additional expense is incurred by the department. The usual maintenance and staff must be kept up whether special trains run or not. And that fact cannot but be recognized that the more miles of railway run the lower will be the expenses, always providing that we can get sufficient traffic to pay the extra expenses.

449. What do you consider a fair rate to charge for a special train?—10s. a mile.

450. Is it necessary to have a collector on a special train, as is shown in the charges for a special train on the Auckland and Mercer line?—No collector at all is required on a special train. On several points connected with railway matters Mr. Passmore and myself do not agree.

451. You think 10s. a mile would pay the Government handsomely?—Yes; but I do think the charge for special trains should not be too low, because at busy times much inconvenience might be occasioned. In Dunedin, on one occasion, one hundred and six trains were run in twelve hours—nearly nine trains an hour.

452. Were the rules and regulations for the management of the railways ever printed, and were they framed by the Railway Commissioners, or by whom?—The rules and regulations were printed, but the Commissioners did not prepare them, and I, as General Manager, had nothing whatever to do with them.

453. By whom, then, were those instructions laid down?—By Mr. Passmore, I believe. I never saw them, and was never consulted respecting them. Although I am called a Superintending Engineer, I hold the situation of a General Manager. Those under me now called General Managers are really Traffic Managers. It is usual for a General Manager to prepare his own book of instructions and those regulations relating to the detailed working of the lines. Such instructions are a General Manager's protection in case of accident. If a man on the line omits to perform his duty properly, I have my instructions to fall back upon in the event of an appeal to a Court, and if I can show that he has been properly instructed, that will clear me. Many things in the regulations for the New Zealand Railways cannot be carried out. On the Canterbury plains, for instance, a ganger has six miles of the line to look after. The instructions state that each ganger will walk over his portion of the line every night and every morning. This would necessitate his walking twenty-four miles a day, in addition to doing his ordinary work. I have had to issue a circular over-riding the regulation regarding a man being fixed at every point on the line. In Otago, the lines there are walked over every morning before the train passes.

454. Has there been any saving effected in the machine-shops in Christchurch?—Yes; we have saved about £2,000 a year; about £6 a day in wages alone have been saved.

455. Were you ever instructed or reminded to close these shops?—No; I acted on my own behalf and reorganized them.

456. An honorable member has sent in this question to be asked: Why the Railway Department in Canterbury have not carried out the instructions directing that the Malvern coal should receive a trial for railway purposes?—I received instructions about the matter, and if blame is to be attached to any one it is to myself. It was my fault the coal was not tried before. In order to give the coal a fair trial an engine was required having a special chimney similar to those on engines used in America; the grates also required altering. The work hung a little at first, but I did the best I could, and the engine is at work now.

457. To give the coal a fair trial is it not necessary to alter the chimney-stacks?—Yes; to prevent the sparks from scattering about too much the chimney is made with a bonnet. Necessary alterations had to be made, and in so doing we availed ourselves of an engine at the time undergoing repair, instead of taking one off the line.

458. You stated the cause of the block in the railway system in Canterbury last grain season

Mr. Conyers. was owing to several causes, among others the want of trucks, break of gauge, and the grain not being taken away as quickly as it was brought in. Was there any blame attachable to the Manager?—The Manager did the best he could under the circumstances.

459. *Mr. Macandrew.*] What has been or what could be done with the vast quantity of old railway iron that has accumulated?—Nothing has up to the present been done. Much of it could be converted into wheels and axles in Port Chalmers. Everything necessary in connection with railway rolling-stock could be made there.

460. Would a saving be effected to the colony by establishing the shop you speak of?—I should recommend the establishment of such a place. I estimate, however, that forging could be done there at the rate of £10 a ton, and we now pay £16 or £18 for the same in getting it from the Home country. Even if it cost the same money it would be a great benefit to the country.

461. *The Chairman.*] Have you suggested this to the head of the Railway Department?—Not yet. I intend making these suggestions to the head of my department. We could make all the wheels and axles necessary for the whole of the colony at Port Chalmers, for the engines, carriages, and wagons.

462. The hammers and furnaces have been specially put up to repair any damage to steamers. To enable us to have the railway material made there we must keep proper forge-men?—I look after the machinery used in pumping out the docks, and also a very expensive and first-class plant that has been erected there capable of doing any kind of repair to marine engines and boilers. The large steam-hammer was necessary in case of broken shafts. It is a very heavy one. There is none other in New Zealand like it. A forge-man must be retained in case of a steamer arriving broken down.

463. *Mr. Macandrew.*] Instructions have been issued relative to ascertaining the cost of some eight or ten carriages. Do you remember what the cost was?—The price of Findlay's carriages, including wheels, is £386 4s. 7d. These are the carriages on the Port Chalmers line, and are exactly the same price as the ones imported from Home. The work on these colonial carriages is excellent, and fully equal to English workmanship.

464. You consider these carriages quite equal to the imported ones?—Yes; the small details in the workmanship are better than in the imported carriages.

465. And they can be obtained at the same cost as those sent from England?—Yes.

466. *Mr. Reader Wood.*] What timber was used in the colonial carriages?—Jarrah and cedar.

467. *Mr. Macandrew.*] Then, in point of fact, carriages can be manufactured in the colony at as low a rate as the carriages imported?—Yes; if the manufacturer is allowed the benefit of freight, charges, and insurance.

468. What price does Findlay charge for a single carriage?—£386.

469. What quantity could Findlay produce in a given time?—He could turn them out very quickly—as fast as they would be required.

470. Do you think if tenders were advertised that there would be any difficulty in obtaining them within a reasonable time in the colony?—No difficulty whatever. The only delay hitherto has been about the wheels and axles, and now we can make them ourselves.

471. *Mr. Reader Wood.*] Do you think if you had full power of dismissing men and officers, and had in your own hands the sole management and control of the lines, and the Government paid you a small fixed salary and commission on the earnings, that you could so arrange that the line could be made to pay better than it does now?—With regard to the power of dismissal, and the taking on of men, I think it would be much better that I should have that power. I had that power on the Otago Railways, and I do not think it was ever abused or caused dissatisfaction. The fact of the men knowing I had such power kept them in thorough order. With respect to working the lines, I should have no objection to taking a small fixed salary and a share in the profits. I have no doubt that there would be a considerable increase in the net receipts. In that case I would have the regulating of the tariff. There would be no objection to submitting the tariff of rates to the Government for approval or otherwise.

372. Do you think the lines could be leased advantageously?—We have already tried one line at Bluff Harbour. The only serious objection to leasing a line is that it is likely to fall out of repair, and be in a bad condition when handed over to the Government.

473. By obtaining proper securities from the lessee that the lines would be kept in good repair, would not that do away with your objection?—Yes; one of the small lines might be tried first. I have no doubt by the Government leasing the Dunedin and Canterbury lines they would obtain a very good rate.

474. I believe it would be a saving to the Government in the Department of Public Works by leasing the railways. All that would then be required would be a Superintending Engineer, and thus we would get rid of all the departmental expense at present surrounding our railway system?—Many lines in England are leased from one company to another.

475. What is the objection to the sale of railway tickets in shops?—The objection is that we lose a check of the tickets. All the tickets are numbered consecutively. When they are issued to the clerk he is personally responsible for them. Every morning his book is balanced against the tickets unsold, so by having tickets sold at shops the consecutive numbers would be broken. If the shopkeepers purchased from the ticket-seller and paid for them at once, there would be no serious objection.

476. *Mr. Macandrew.*] I presume you mean having them sold as postage stamps, allowing a small percentage, making it a profit to the purchaser?—Yes; the tickets would be only sold for cash.

477. *Mr. Reader Wood.*] The Government would also gain an advantage on account of tickets that would be lost.

478. *The Chairman.*] If a man buys £10 worth of tickets it really does not matter whether he uses them or not. He can do with them what he likes.

479. *Mr. Conyers.*] I have no objection as long as the tickets are in the first instance obtained from the office.

480. *Mr. Macandrew.*] The only thing perhaps would be the risk of forgery.

481. *Mr. Conyers.*] The forgery would be checked in the Audit Office, where a duplicate to the forged ticket would be found. *Mr. Conyers.*
The Chairman : I understand the delivery of parcels should be done by private companies. 16th Aug., 1877.
Mr. Macandrew : If the railways were let, then the companies could do that.

The Committee adjourned till 11 a.m. to-morrow.

TUESDAY, 21ST AUGUST, 1877.

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Mr. CONYERS recalled.

482. *Mr. Stevens.*] I should like to ask you your opinion as to the necessity of the establishment of a renewal and depreciation fund in connection with the railways constructed. Do you consider it should be done?—I do.

483. When should it commence; I mean relative to the opening of constructed lines?—I think it would be best if it commenced from the opening; the amount required would, of course, in that case be smaller, than if left for a later period.

484. What form should the contributions to the fund take; that of a percentage upon the gross earnings?—It would be rather a difficult matter to estimate the gross earnings at first, but I think it should take that form. Of course, too, the amount would depend entirely upon the amount of traffic upon the lines. The amount taken must necessarily be larger if the traffic were heavy than if it were light. The money for renewal would be required earlier in that case. For instance, it would be required earlier on the Lyttelton line than on a branch line where the traffic was light.

485. But the basis would be a percentage on the gross earnings?—Yes; because on some of the new lines it might happen that the expenses exceeded the receipts, so that it would be impossible to take anything if we depended upon the net earnings. Of course the amount to be taken must greatly differ with the nature of the lines, and the traffic upon them. Some lines I could mention show no marked depreciation whatever; whereas on a piece near the Dunedin railway station, the rails have to be renewed every few months. I think a fair and reasonable rate would be such as would realise sufficient to replace rails every twelve or fifteen years, or thirteen to fifteen years. That is an opinion expressed without much serious consideration.

486. But you are clearly of opinion that some provision should be made?—I think so.

487. Can you give an opinion as to the relative merits of steel and iron rails?—There is no comparison between the two.

488. Are we using steel rails?—Very few indeed. I can only remember two or three miles of them being laid; some of these were imported by the Province of Otago.

489. Then with regard to all heavy traffic, I understand you that it would be advantageous to use steel rails?—Yes; on main trunk lines, where the traffic is heavy.

490. What is the difference in the cost per mile?—Not a great deal: about £2 per ton. From what Mr. Macandrew tells me, the difference is about 15 to 20 per cent.; £7 to £8 on iron; £9 to £10 for steel.

491. Do you think the rails that have been used in the construction of lines are sufficiently heavy?—I do not.

492. What weight were they generally?—40 lbs. per yard.

493. Do you think anything less than 70 lbs. rails should be used?—I think the rail now being used is a capital one; 52 lbs. per yard.

494. Can you give us your opinion, from what you know of Australia or other places where the Government owns the railways, as to what provision should be made against accidents to passengers. Is it customary to make some definite provision for such matters?—I cannot speak on that subject. I know nothing of the Australian practice in that respect.

495. What provision do you think should be made by the Government to meet cases of accident to servants of the Government on the railways; such a case for instance as that of Drury. Do you consider it would be better for the interests of the service if some specified permanent provision were made by the regulations for those dependent on servants killed or injured while discharging their duty; supposing always that the accident was not occasioned by any fault or negligence on their own part?—Certainly, I think some such provision should be made, provided the accident were not caused by the man's own negligence or by drunkenness. The present provision is not adequate. The Benefit Society is a very good thing so far as it goes; but it would be better to lay down the precise terms on which a man's relatives should receive assistance, instead of doing as was done in Drury's case. The compensation should be regulated by the salary a man receives, and his rank in the service. I should like to say, however, I have always taken a great interest in the Society on the Otago Railways since it started. It has never been subsidized by the Provincial Government, but still it has got on well, and has now some hundreds of pounds to its credit. I am President of the Society, and I consider that it has worked well. A man who is overtaken by sickness gets so much per week and his doctor's bill paid; if he dies, his widow gets so much; and, if his wife dies, something is paid to him.

496. The Government never subsidized it?—No; except that fines imposed upon the staff were paid into this fund.

497. As regards tenders for stores. Do you think everything should be included in the one contract? Do you not think it would be advantageous to divide the present schedules in some cases?—I think so. Under the present system, in Dunedin, we have one contractor to supply the whole of our requirements, except sawn timber and castings; and, in consequence, it often happens that we want something he has not in stock. He goes and buys from some one else, and we have to pay him a larger price than we should have had to pay if we paid it first hand. I think there should be a change.

498. [*Mr. Macandrew.*] Can you give the Committee any information as to the quantity of coal consumed per annum on the Government railways?—I should think about £20,000 worth a year.

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499. What coal is used?—Newcastle entirely.
500. Would it not be possible to use New Zealand?—Steps are being taken to give New Zealand coal a fair trial. I received instructions on the subject about three months ago.
501. There are one or two locomotives at work under your charge made in the country?—Yes; there are two of them at Oamaru, and one on the Kaitangata branch line.
502. What is their power?—Eight-inch cylinders. They are about the smallest in New Zealand.
203. What was the price of them?—£1,200 delivered, each.
504. What would have been the cost had they been imported?—Somewhat less, or about the same. I may add that that on the Kaitangata line is burning Kaitangata coal, and is giving the greatest satisfaction.
505. Was there any difficulty in starting these engines at first?—Yes; one of those on the Oamaru line required some alterations to the smoke-box and exhaust pipe, and until that was done we had some difficulty in keeping up steam.
506. Is there any difficulty in getting up steam now?—I have not heard of any.
507. Is it necessary to use any particular fuel with it?—We use the same as we do with others—Newcastle.
508. There is no more difficulty in keeping it in repair than there is with others?—No.
509. And they are now working satisfactorily?—Yes.
510. I have heard it said it is necessary to stop these engines during the trip to steam?—I have never heard of such a thing since the alterations were made.
511. How many trucks will one of them draw on level lines?—Eight or ten, about the usual thing.
512. That is a fair load?—Yes; they are small light engines, and were made to work on 28-lb. rails; and I dare say they cost more than if they had been imported. I see a 9½-inch cylinder, the power of which would be in proportion to the power of those built here as the difference in the squares of the diameter of their cylinders, cost but £1,250.
513. At any rate, without reference to cost, they can be made?—Yes; but the most difficult parts must be imported.
514. *Mr. Larnach.*] Do you think railways in operation can be satisfactorily worked under the superintendence of an Engineer-in-Chief?—I would rather not answer that question, as the Engineer-in-Chief is my immediate superior officer.
515. In your opinion, can the lines be worked economically and satisfactorily unless they are under the sole control of a skilful practical officer?—I have no hesitation whatever in saying that whoever is placed at the head must be a practical and skilful officer, having a thorough knowledge of all details.
516. You are in favour of the present system of issuing railway tickets?—I have answered that question. I have no objection to tickets being sold outside the station, provided they are got direct from the ticket office, so that consecutive order may be maintained there. That is required as a check.
517. Are you in favour of a weekly or monthly system of audit?—Of a monthly system.
518. What is your opinion as to the manufacture of locomotives?—I think locomotives should be imported; but other rolling stock might be made in the colony, that is, except the wheels and axles.
519. Cattle trucks?—All those sort of things. We have had very good ones manufactured in Dunedin. But we cannot do the more difficult things yet.
520. *Mr. Macandrew.*] At present?—Nor for a long time yet, I think. Wages are high and we must import; we cannot compete with Home labour. Skilled workmen in Great Britain get 6s. a day for ten hours; we pay 12s. for eight hours. If we could introduce machine work entirely that would be a different thing; we might compete then with the Home productions just as we do in wood.
521. *Mr. Larnach.*] Are you not in favour of cheaper fares where it is possible to create traffic. In some cases a railway would make its own traffic if properly managed?—I am in favour of moderate fares and cheap trips when there is anything to be done. On such occasions, for instance, as races, agricultural shows, regattas, &c., I have always done it.
522. Has your experience on the Port Chalmers line, in respect of Ravensbourne, shown you the value of encouraging traffic?—There has been a very large traffic encouraged there by issuing cheap season tickets. Some hundreds of people have settled between Dunedin and Port Chalmers owing to our having run morning and evening trains at cheap rates.
523. It has established Ravensbourne and other places?—Undoubtedly.
524. And they are now of great assistance to the revenue?—They are. In the first instance, we even carried their materials to build free. I would even go further, and give free passes for three or six months in order to encourage a traffic.
525. You would be in favour of doing that wherever the lines are open?—Yes; provided there was a sufficient population.
526. *Mr. Lumsden.*] The costs of maintenance of railways is estimated by the traffic?—Yes.
527. And according to the character of the line itself?—Yes.
528. How does the Bluff line stand?—Very well. The Invercargill railways cost £104 per mile per annum, while lines about Dunedin cost £190. On the Bluff and Winton line one man is allowed for every two miles; between Dunedin and the Clutha one man is wanted for every mile. The one is laid with 72 lb. rails and the other with 40 lb. rails.
529. There is no reason then why the rates on the Bluff line should be high?—The railway cost more in the first instance, and the interest on cost is therefore much higher.
530. Ship goods are charged partly by measurement and partly by weight?—Yes.
531. And the rates are the same as respects the Bluff and Port Chalmers lines?—No, the same as the Bluff and Lyttelton lines. Port Chalmers is treated specially.
532. Do you think a Manager ought to have power to alter rates?—If there is competition.
533. Do you not think it would lead to complaints as to partial charges?—I think not, because it would be seen that the competition existed. I mean to say this, that a Manager should have power to

compete. Thus if lighters on the New River were carrying between the Bluff and Invercargill at 6s. 6d. I would lower the railway rates to 5s. 6d. I would have the traffic at any price; the traffic secured, the railway would be safe.

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534. Even at a loss?—The trains must run. Where railways are run they must be made to get the traffic.

535. There has been a question raised about leasing. This very line was leased once?—Yes.

536. How did it result so far as the public interest was concerned?—Not well.

537. The line was left in a very defective state of repair?—Yes. It required very heavy repairs, as might be expected in such a case.

538. You have had some experience in regard to native timber in the construction of railway trucks and carriages?—I have.

539. What is your opinion of it for the purpose?—It is very good.

540. You have used kamai?—Yes, largely.

541. You are aware that it differs in quality in different districts?—Yes, so much so, that it gets different names in different districts. I have used rata and found it very good; we call it iron wood.

542. *Hon. Mr. Ormond.*] With reference to passenger fares: I see in your evidence the other day *you say there has been a falling off in the Canterbury lines since the new traffic came into operation. Do you think we should increase our business on the railways by reducing the present uniform rate?—I do not think the present rates could be bettered. I think they are very moderate, and will bear favourable comparison with the fares charged in the other colonies, or in England. I may mention that they are just equivalent to the rate it is permitted by Parliament for the English companies to charge—viz, 3d. per mile first-class, and 2d. per mile second-class; return tickets being half-price in addition to single fares. I think that is very fair and reasonable in proportion to the working expenses. It must always be remembered that the working expenses in this colony are heavy. The difference between here and England may be stated as the proportion of 12 to 5. Coal, which is here 30s. per ton, is in England 9s. or 10s. Labouring men here get 6s. to 7s. per day; at Home they get 3s. per day. Therefore it is only reasonable that the rates should be proportionately higher. I cannot speak as to New South Wales, but I know our rates compare favourably—in some instances they are cheaper—with those in force in Victoria, Queensland, or South Australia.

543. *Mr. Larnach.*] They have abolished return tickets in Victoria?—Yes.

544. *Hon. Mr. Ormond.*] What is your opinion with regard to return tickets?—I think the matter of return tickets is a very important question, and one that requires very careful consideration, but I should be loth to touch it at the present time. It would no doubt be an advantage to the railway management, because we should get rid of half the tickets; but I am quite willing to bear that burden because I think return tickets are a public advantage. I think it is better to let the question stand over for the present.

545. *Mr. Larnach.*] Would you be in favour of extending the time for which they are issued?—I would extend the time.

546. *Hon. Mr. Ormond.*] A ticket now issued on Saturday is available for Monday?—Yes.

547. Do you think the time might be further extended?—Yes.

548. How long would you give?—I would regulate it in proportion to the distance. In 25 miles I would require the passengers to leave one day and return the next; and for every 25 miles give him an additional day; so that a man who travelled 100 miles would have three or four days in which to return.

549. *Mr. Larnach.*] You would not allow him to get out and break the journey?—We do allow that now.

550. *Hon. Mr. Ormond.*] The extension of the time of return tickets would not interfere with the accounts?—No. After the ticket is issued and paid for, we consider it done with altogether.

551. You say in another part of your evidence that there is a loss on the Port Chalmers line?—There was a loss under the new tariff of £1,200, or £1,500 a month.

552. What action has been taken with reference to that?—In the first instance, the rates were lowered. It was reported by the local Manager that the reduction was not sufficient to secure the traffic. The matter was represented to the Government, and the rates were then lowered to below what they had been under the old tariff, and the present rate will secure all the traffic to the line.

553. Do you know any other places where it will be necessary to reduce the rates so as to secure the traffic?—I do not.

554. The ticket-sellers, are they still in operation?—No; abolished.

555. But are they re-employed in some other way?—No; since I gave my evidence they have been dismissed the service entirely.

556. It is left for you to deal with the matter as you think best for the management of the railways?—It is.

557. As regards the engines manufactured in the colony, you say that, with the exception of certain parts imported, they were manufactured satisfactorily?—Yes.

558. As I understand, they are not very powerful engines?—No; they are very small.

559. Can you give us any idea of the parts it was found necessary to import?—The wheels and axles, cylinders, springs, fire-box, framework, and tubes; everything else was made in the colony.

560. What proportion would the imported parts bear to the whole?—About a fourth or fifth.

561. Are there materials or appliances in the colony to make the larger engines required for use on the main lines?—No; some parts must be imported in any case for a considerable time at least.

562. Do you think we could with advantage manufacture larger engines in the colony?—I think not.

* NOTE.—The answer referred to by the Hon. Minister for Public Works was based upon information obtained from the Head Office in Christchurch. It has since transpired that the comparative statements for the two corresponding months of 1876-1877 were worked out on a different basis, and that in reality there is an increase in the passenger traffic, though probably not in proportion to the increased mileage.—W. C.

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563. Have you considered the matter with regard to the cost or the class of article?—Both; more particularly with regard to cost.
564. Now, with regard to wagons; what parts of the wagons are imported?—The whole of the ironwork.
565. What is the practice with regard to the construction of these?—Tenders are called for the ironwork at Home, and the timberwork is contracted for here.
566. If these wagons were let out by tender here, what part would the contractor import?—The wheels, axles, and springs, and probably the buffers.
567. What would the proportion of the importations be?—About a fifth or sixth of the value when completed.
568. What would the rest of the wagon be?—Ironwork for the body, bolts, small nuts, iron plates, coupling chains, nails, &c., and timber. Of course I am speaking of things as they are. The Government might supply them with wheels and axles, which would lessen the proportion.
569. Do you think the Government can manufacture these things better than private firms can?—Yes; we have better appliances at Port Chalmers—that is, the Government establishment. I may say I have asked the Engineer-in-Chief for permission to make one hundred buffers at Port Chalmers from scrap-iron, as an experiment, and he has agreed to it.
570. Who are Sparrow and Co.; a large firm in Dunedin?—Yes.
571. Are you aware of that firm having made offers to construct wagons at Dunedin?—No.
572. Now, with regard to carriages, what parts of those would have to be imported?—Similar parts.
573. Would New Zealand timber be suitable?—We have used cedar hitherto; Australian wood for the coach.
574. Are our woods suitable?—Our chief difficulty has been to get seasoned timber. If properly seasoned we have woods that will suit admirably.
575. *Mr. Larnach.*] If it were made worth while for a large firm to go into the work, would not the difficulty disappear?—Yes; I believe it is a question of capital to get timber seasoned.
576. What is the class of timber required?—Close-grained.
577. And New Zealand wood is suitable?—Yes; I think kauri, rata, and some kind of birch would do very well. Some of these are very dense close woods.
578. With reference to powers of Managers, will you tell us what are their powers in reference to employés?—I have power to take on or to put off labourers as I please; with regard to officers, I can suspend them.
579. *The Chairman.*] Can you change a Stationmaster from one place to another?—Not without authority from the Engineer-in-Chief.
580. And it would take some time to get that?—Yes.
581. *Hon. Mr. Ormond.*] But suppose anything happened to a Stationmaster, so that he could not continue in his place?—In that case I would put some one on, and simply say I had done so.
582. That is the practice. I suppose you would only refer to the Engineer-in-Chief in case of your desiring to carry out fresh plans?—My instructions are that, if I wish to remove an officer from one place to another, I must write to the Engineer-in-Chief for authority to do so.
583. *Mr. Larnach.*] Have you a special telegraph office at each station?—No.
584. Supposing a man were not giving satisfaction, what would you do?—In that case I would take it upon myself to remove him, and then report that I had done so.
585. *Hon. Mr. Ormond.*] Are you aware that cases have arisen in which there have been complaints of unfair removals by Managers?—I have heard of such a case in Canterbury.
586. Does not the present system amount to nothing more than this, that you have to refer your actions to the Minister for approval?—I submit my plans for approval to the Minister through the Engineer-in-Chief.
587. To what extent could the Kaitangata coal be utilized on the Otago railways?—The engine in use on that line is at present burning the coal, and it is gradually coming into use in Dunedin and the Clutha; but I do not think it could be generally used on the lines without some alterations in the engines.
588. If it could be utilized it would effect a great saving?—Yes; but I should think more would be consumed in order to bring out the same results as Newcastle—that is to say, I should think a ton of Newcastle is equal to two tons of Kaitangata.
589. The quantity at the mine is unlimited?—Yes.
590. Do you know anything of the extent of the business done on the line itself?—I cannot say what it does.
591. Are you aware that the Company is endeavouring to get the Government to take the line over?—Yes.
592. Is the coal used generally in the district?—It is in Tuapeka, Balclutha, and Dunedin.
593. Can you explain then why, if the coal is of good quality, there is not a sufficient sale to make the line pay?—Well, in Dunedin it has had to compete with Green Island coal.
594. What sort of coal is that?—It is a brown coal.
595. Is that a better coal for steam purposes?—It is better for steam purposes—that is, it is better for stationary boilers. The Kaitangata coal is very light, but superior in appearance. The brown coal has the advantage of being nearer Dunedin, and is brought to market at a less cost for carriage.
596. Can you look forward to New Zealand coal being used on the railways?—I believe if the engines were made specially for it I think it could be done. The fire-boxes are at present too small. The grates are too limited in area to give the coal a fair trial. The modifications could easily be made when new engines are built.
597. Have you any knowledge of the Malvern coal?—No.
598. Of the Shag Point coal?—That, I think, is the best we have. If any will succeed that will—that is, leaving out of consideration the West Coast coal.

599. That is near the railway too, is it not?—Yes.

600. *Mr. Macandrew.*] Assuming there was no coal imported into the colony, and we had to do with our own, do you think we could manage to run the railways all the same?—I cannot say; we would try very hard. We might have some trouble at first, but I think we would succeed in a short time. I have great faith in Shag Point coal.

601. *Hon. Mr. Ormond.*] In reference to the general management and general direction of railways while lines are in course of construction, is it or is it not necessary that there should be some general control?—Undoubtedly it is.

602. Is it not necessary to have distinct management of constructed lines and lines in course of construction?—They are two different things, requiring different qualifications. A man may be able to make a railway and yet may know nothing whatever about managing it when it is made. General Managers as a rule are not Civil Engineers at all. A Civil Engineer would have only to do with the maintenance of railways.

603. You are aware that there are a number of small lines in course of construction in the North and South Islands, and that while that is so there are two distinct branches of work—constructed lines, and lines in course of construction. Do you think the present system is the most advantageous while there are lines in course of construction?—It would be difficult to separate the two things.

604. Would a construction officer be thoroughly competent to have charge of the whole of the permanent way and locomotives?—The permanent way, certainly. The locomotive branches would require to be placed under the control of a mechanical engineer. In England it is customary for railways to be operated by three officers—engineer of the line and locomotive superintendent, who is a mechanical engineer, and takes charge of the rolling stock; a traffic manager; and over the whole a general manager, who is not necessarily an engineer at all—he is not an engineer as a rule.

605. *Mr. Macandrew.*] Do you think that if night and morning trains were run on the Hutt line that such would pay, and be a benefit to the City of Wellington?—I do not know much about Wellington, but, judging from the population here, I think it would. I should be inclined to try it.

606. *Hon. Mr. Ormond.*] At what hours are the trains run from Ravensbourne?—At a quarter to 8 in the morning, and leave town at a quarter past 5 in the afternoon.

607. *Mr. Lumsden.*] There were few passengers at first?—Yes.

608. But is it a great help to the line now?—Yes.

609. *Hon. Mr. Richardson.*] With reference to locomotives, you say the engines made in Dunedin cost £1,200, and that 9½-inch cylinders imported cost about the same?—Yes, £1,250.

610. Do you wish the Committee to understand that these engines are of similar effective strength to those imported?—No; the difference would be as the squares of the diameter of the cylinders, which would be very great.

611. Can you give us the relative strength of the two?—It would be as 64 is to 90·25.

612. You have given evidence on the question of the block in Canterbury. If the Government had had simply to perform the work of carriers, and not of storers as well, could the railways have carried all the grain?—Yes; if the grain had been taken away as fast as it was delivered at the stations, there would have been no block.

613. You have said you would not interfere with the present passenger fares anywhere?—No; except, of course, in cases of competition. If a coach took passengers for 9d., I would take them for 8d. The railway must have the traffic.

614. In many instances reference has been made to a "Commission" on railway management. Was any Commission appointed?—No; we did not meet as Commissioners. I never heard of the appointment of a Commission.

615. *The Chairman.*] I wish to know whether you think you could manage the railways with less cost to the public and more satisfactorily if you were more untrammelled—had more complete charge of the railways?—These things can only be ascertained by actual experience. I may say, however, that at present there is a great deal of correspondence and trouble in telegraphing—far more than I like.

616. More than you think necessary?—Yes; and the Minister for Public Works agrees with me that something must be done to lessen it. It was spoken of during my last visit. I may say I am several hours a day engaged in performing the work of a clerk, and I cannot get out of the office.

617. It detracts from your power as General Manager?—Yes; I should not be confined, but be free to go anywhere to see after matters.

618. Do you think the revenue from the railways would be increased by a further increase in the fares?—I do not. I would not support any further increase.

619. You state that our fares bear favourable comparison with those in force in Victoria?—Yes.

620. Do the expenses of maintenance compare with those on the Victorian lines?—I cannot say.

621. Do the railways there cost more per train mile than ours?—Yes, somewhat more.

622. Yet we charge as heavy fares?—I will say this, that cheap lines cost a great deal more to maintain, and the money must be had somewhere. I have no doubt that in some instances the extra cost of maintaining light lines would more than pay interest on the larger sums which would have had to be borrowed in the first instance to make the lines heavy and durable.

623. Your title is Assisting Constructed Engineer?—No; Superintending Engineer.

624. Whereas you are really General Manager?—Yes.

625. And not Engineer?—No; it is a new title to me, and I cannot really understand it.

626. *Hon. Mr. Ormond.*] It merely describes the position you hold with reference to the Engineer-in-Chief?—Yes; he is principal engineer of railways in construction, and is at head of all. I am called Superintending Engineer of Constructed Railways. I call myself an engineer. I am an associate of the Institute of Civil Engineers, and a member of the Institution of Mechanical Engineers.

627. *Hon. Mr. Richardson.*] In reference to the Lyttelton Harbour Board, and your answer to question 393, I understand all the Harbour Board want is that railway trucks shall not be left at night opposite ships' gangways?—Yes; I believe that is the request.

628. *The Chairman.*] I have a letter here from the chairman of a public meeting in the Rangiora

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and Ashley District, in which complaint is made as to charges levied for carrying stock two miles by rail. Do you not think the charges could be reduced so as to meet that case?—I should think people would as soon drive stock a couple of miles as go to the trouble of loading and unloading.

629. But there is an impassable river in the way?—Then in that case a special rate would be required. We charge the same for ten miles as for one, because the trouble is just the same, and the trucks are occupied for a considerable time in loading and unloading.

630. Will you see to this matter then?—Yes.

631. With regard to weekly accounts that have been adopted, is one effect of it to deprive workmen of a day's pay in the year? Do they now get paid for 364 days in the year instead of for 365?—I cannot see that. They are paid every four weeks for the number of days they work from Monday morning till Saturday night.

632. Has there been any alteration in the system of payments during the last month or the last week?—Yes; the retention money has been abolished. The men are now paid their wages one week after they are due. Pay is not stopped at all now.

633. With regard to persons who send horses on the train—say a distance which would cost twenty shillings—the owner makes a requisition for a horse-box, and for the first horse pays twenty shillings. If another horse is put into the box, the owner is charged for the whole box?—If a second person put the second horse in, he would have to pay; but if the owner of the first horse put in another he would not be called upon to pay.

634. Then four or five persons might have to pay for the box over and over again?—A horse-box only carries two.

635. I have seen four or five?—Not in a horse-box proper. It must have been in cattle-trucks. In the horse-box there is accommodation for the groom and other conveniences. If a man puts two horses in the box, he is charged half-price for the second; but if the second horse is put in by a different person, surely there can be no objection to his paying the full price. We charge both the full price. There are two accounts, and the trouble is double.

636. Do you think the old rates for stock on the Canterbury lines were losing rates?—I had no experience of them, but they were certainly very low; but I have proposed a reduction on the existing rates, which will make them a shade higher than they were before.

637. You think a reduction necessary?—Yes; the existing rates are too high, and the matter has been gone into and several changes made.

638. Have any steps been taken to increase the capacity of the wood-trucks?—Yes, I have given instructions for them to be made so that they will carry five tons.

639. There is another thing I wish to ask, whether there should not be at the principal railway stations porters to take passengers' luggage to and from the railway platforms?—The porters should do that work, and I have given instructions to that effect in Dunedin.

640. Is it done at Lyttelton and Christchurch?—I think not, but I will see that it is done.

641. *Mr. Larnach.*] There is a single line between Port Chalmers and Dunedin. Is that sufficient for the work that has to be done?—Yes; we have a long loop where trains pass each other.

642. There is no inconvenient crowding?—No, but I would strongly recommend that the line be straightened.

643. It would be more economically worked if it were straightened?—Yes, in every respect—in regard to time and the cost of maintaining the line, and the rolling stock would be much less.

644. You think that for some years to come a single line will be sufficient?—Yes, if properly managed by the introduction of the block system, which we propose to introduce at once.

645. You are aware that, notwithstanding the reduction in the tariff, there is still a considerable amount of freight carried by the lighters to Dunedin?—Yes; but the rates were amended again yesterday, and I think they will catch the traffic now.

646. Is there a uniform used generally by the employés on the railways?—In Otago.

647. Nowhere else?—No.

648. Would you recommend one uniform to be used throughout the colony?—Yes, I am strongly in favour of it.

THURSDAY, 23rd AUGUST, 1877.

Mr. J. E. FITZGERALD examined.

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649. *The Chairman.*] We have called you, Mr. FitzGerald, with a view of ascertaining something about the system of audit now in operation in regard to railways. Will you be good enough to explain to the Committee generally the system now at work?—The railway business may be said to be divided into two branches—the passenger traffic and the goods traffic. With regard to the former, we keep an account of all tickets created, and the Chief Storekeeper is debited with the whole. They are sent by him to the local Storekeepers, who are then debited with them; from the local Storekeepers they are sent to the Stationmasters, who then are debited with the tickets sent to them, and these officers make a daily return to the Manager of the line of the tickets they have disposed of, and also a weekly return, which the Manager forwards to the Audit Office in support of his summary of traffic. Thus we know the number of tickets that have been disposed of, the price at which they have been sold, and are able to check them by the cash payments into the bank. With regard to the goods traffic, the Stationmasters make out abstracts of the goods received into and sent from each station. These abstracts go to the Managers. The Stationmasters also make out from the abstracts a weekly summary of all goods received and sent, and the Manager makes out a general summary of all the goods sent and received to and from every station during the week, which, if the accounts of the Stationmasters are correct, must balance, because all goods sent from one station must be received at another, and consequently the general balanced summary of goods is complete. A

similar practice is followed in respect to parcels. The only return made by the Stationmasters directly to the Audit Office is the cash balance-sheet of the transactions of the station. The Stationmaster debits himself with the moneys received at the station, and credits himself by payments to the head station; and the Manager, in his weekly cash-book, debits himself with what he receives from the Stationmasters, and credits himself with what he pays into the public account in the bank. These cash accounts are weekly, as are all the accounts of Receivers of Revenue throughout the colony.

650. How many returns are made to the Audit Office weekly?—There are ten weekly returns made to the head office, which come to the Audit Office at Wellington as sub-vouchers; some of them very brief.

651. Are these furnished to the local Managers besides?—They come through the local Managers.

652. Then the recommendation of the Commission has not been adopted with regard to the system of audit?—I think so; there have been alterations in detail certainly.

653. I see clause 37 says: "On Saturday evening or on Monday morning the Stationmaster should be required to send direct to the Audit Office (b) press copy of outward way-bills, (a) and his balance-sheet."—I omitted to mention way-bills, because I did not regard that as a return. They are not made out for the purpose of audit, but for purpose of traffic. They are sent on from one station to another with the goods.

654. They were not included in the ten returns you mentioned?—No; I may be allowed to say here that, in my opinion, the original way-bills ought to be sent, which would save a certain amount of trouble. There is no object in keeping way-bills at the stations.

655. But in that case, in the event of mistake, reference would have to be made to Wellington?—Not if they remained for a week at the station. In that time way-bills are punctually copied into the warehouse and delivery-books, and whatever information might be required would be found there. I may say that on the New Zealand lines there has not been a uniform practice. Under the Christchurch system we found that way-bills were sent to Christchurch; in Otago the way-bills were left at the stations. In England too there are different practices on this point. It is a matter of detail about which differences of opinion exist. In the North Island we have always had the way-bills sent direct to the Audit Office, and never found any difficulty in the matter.

656. How long are the original way-bills kept on hand—are they filed or destroyed?—I do not know what is done with them, or how long they were kept in Christchurch; but I presume experience will teach us how long to keep them.

657. Does a Stationmaster, on sending out goods for different stations, make out a way-bill for each station?—Yes; in certain cases he might make out half-a-dozen way-bills for one station.

658. And all these, you think, ought to be sent to Wellington?—Yes; undoubtedly.

659. Has there been any increase to your clerical force in consequence of this new system?—Certainly; by taking over the Middle Island work the work has been tripled.

660. And your force has been increased considerably—tripled?—No; it has not been quite doubled in the Railway Audit.

661. Has there been a corresponding decrease in what were the Provincial Audit Offices?—I am not aware; but there should have been more than a corresponding decrease.

662. Although those offices have not only to do what they did before in receiving returns from country stations, but also to prepare summaries specially for Wellington?—They have to prepare nothing more than they had to do before.

663. They had no returns to make out for Wellington?—They had to make out just the same, but forwarded them to the local Audit Office. As I understood it, there were formerly two branches in each head station, the Accountant's Office and the Audit Office. The Accountant's Office had to prepare all returns, and the Audit Office audited them. The only difference is that now the audit is done in one office instead of a number of different offices; and, judging by my experience in these matters, I imagine that must result in a saving. I think the local audit ought to be entirely abolished.

664. Do you not think that by having a local audit any errors in way-bills would be more easily detected, and corrections made more expeditiously, than under the present system?—I do not know. My experience has been derived from working the Northern lines for the last two years, and I have come to think that all work should be done in one large office, under a good system. It is much better than when it is done in half-a-dozen offices. That is, I believe, the case in England; and after all, if the whole of our lines were finished and in working order, the work upon them would not be anything like that upon a single company's lines there; and I believe the whole of the auditing is done in London. In fact, I believe the whole of the auditing for England, Scotland, and Ireland is done to a certain extent in London, owing to the clearing-house system, and that is for 16,500 miles of railway.

665. As you have mentioned England, I would ask whether you have had any experience in railway accounts elsewhere than here?—Practical experience—none.

666. Is it not the case that under the present system certain returns have to be made four times, while under the old system they had to be made but once a month?—In the Middle Island.

667. There is consequently four times the amount of former work to be done?—Certainly not. The keeping of weekly accounts does not involve four times the amount of work involved in keeping monthly accounts. I believe there is a saving of labour by the weekly system; and I say this after having seen that system introduced into almost every branch of the service; because in keeping accounts in which there are a large number of small details a great deal of time is occupied in tracing out little errors. If, then, the weekly system is adopted, the clerks will very often be able to correct these errors from memory; but if the accounts are let go for a month, the consequence is that a great deal of time is wasted in searching over a mass of complicated details in order to find out some small error.

668. You are speaking of other accounts than those of railways?—I look upon railway accounts in just the same light.

669. You think the same system will be practically applicable to the railway accounts?—I have found it work with the greatest smoothness during the two or three years we have been working the

Mr. FitzGerald. railways of the North; and I believe all officers, except those who have not yet had sufficient experience of the system, will agree in saying that the weekly system is preferable to the monthly system.
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670. You say there is no more work involved in the weekly system than there was by the monthly system?—I think there will be less. I may add that I do not think the opinion of those officers who have just come under the system for the first time should have much weight attached to it by the Committee. After twelve months I think they will come to the same conclusion as myself.

671. But do you not think there would by that time be such a system grown up that it could not be disturbed without inconvenience, if it were found necessary to do so?—You assume that the weekly system will be more complicated than the monthly. I think it will be less so. I may mention to the Committee that one of the Travelling Inspectors, who has just been over the Wellington line, told me there was not the slightest difficulty in making out the accounts. The accounts to be kept at the stations were very simple and small in amount.

672. Are the Inspectors of whom you speak skilled men?—Yes.

673. By whom were they appointed?—By the Colonial Secretary: he is the Minister who is the ministerial head of the Audit Department. If the Committee would allow me, I would further state that I regard the weekly system as the greatest possible security against defalcations and embezzlement of public money. It has been remarked that all defalcations which have occurred of late years have taken place under the monthly system of accounts. It is very much more difficult for a man to conceive a system by which he can falsify accounts kept under the weekly system. He has such a short time in which to act that the risk of detection is very high.

674. I suppose there would be even greater security under a daily system?—Yes; but a weekly account is sufficient in most cases. In the case of railway tickets the Stationmasters have to make daily returns to the Manager.

675. *Mr. Stevens.*] What do you believe to be the maximum amount taken in charge by any one officer under the weekly system?—Do you refer to receipts?

676. Yes; payments are not made in the same way?—The payment system is by imprest. I should think the Christchurch cashier could not get more than from £2,000 to £4,000 into his possession in a week. His collections would be much the largest.

677. You get the bank returns weekly?—The Treasury does; and these correspond with the period covered by the railway officer's returns. Besides that, we get the bank receipt for every sum paid into the bank. This is attached to the Manager's or cashier's weekly cash-book.

678. Suppose there had been a mistake made by an officer, or that he were suspected of something worse, owing to a discovered reduction of the moneys he ought to have paid in, how soon could he be stopped?—The cash-book should be made up on Monday or Tuesday, and I should think would reach Wellington on Wednesday or Thursday—at any rate in a very few days. If we thought it necessary we should operate by telegraph.

679. To whom would you telegraph?—It would depend upon whether the officer were suspected of mistake merely or something worse. In the one case we should telegraph to the Manager; but if we suspected that there was anything wrong, some one would be appointed to investigate the whole matter. Occasionally we have had occasion to telegraph to the bank to inquire what sums had been paid in.

680. *Mr. Larnach.*] I am not quite clear as to why you consider weekly accounts are preferable to monthly ones. Do you think they do not entail so much labour? Is it not necessary under the weekly system to make out four forms for every one made out under the monthly system?—Yes; but the mass of figures dealt with are so much smaller, that the time saved in discovering errors is so considerable, that I think that upon the whole there is less labour, instead of more labour, entailed by the weekly system.

681. But I understood it entails the employment of a great deal more clerical labour?—No.

682. Your staff has been increased?—Yes, because we have now to deal with more than three times the extent of lines than we had before, and six times the traffic.

683. Are you not aware that merchants find that half-yearly balances entail a large amount of unnecessary labour—that large firms have often abolished half-yearly balances because of the extra labour and expenses?—That might be so; but I do not see that the cases are in any degree similar. No merchant, so far as I am aware, has to deal with a state of things in which there are large receipts of money collected at a distance from the central place of business, all being paid in small sums, of the extent and number of which he must be ignorant, unless the amounts of the payments are supported by returns. There is nothing that I am aware of in a merchant's business similar to the passenger traffic on a railway.

684. I understood you to say that weekly accounts are a security against defalcations?—I think so.

685. Do you think that, if an officer of the Government is inclined to defraud that any system of accounts would prevent him?—I do not say that any system of book-keeping will actually prevent him, but a proper system of accounts will render it perilous for him to do so; whereas, if that system were relaxed, he might commit fraud with impunity.

686. May I ask you what are your duties in connection with the Government generally and the Railway Department in particular?—My duty consists in seeing that the audit of receipts in every branch of the revenue is carried out properly by the Audit Clerks; and when the queries are proposed by the Audit Office in explanation of accounts, it is the duty of the Commissioners of Audit to see that the replies are reasonable and satisfactory, and where they are not so, to order any deficiency to be forthwith made good. With regard to payments, it is my duty to see that the moneys which the Treasury is called upon to issue for payment of the public services are moneys which are intended by law to be so applied, and have been voted by Parliament.

687. Your duties in regard to the railways ensue to you by virtue of your position as Commissioner of Audit?—Yes.

688. Were you appointed a member of the Railway Commission?—I had no appointment. I was

asked verbally by Mr. Richardson if I would act. I am not quite sure that I did not receive a note from him. *Mr. FitzGerald.*

689. You were requested to act along with the other gentlemen?—Yes. Our business, I take it, was to inquire how far the Middle Island system would work consistently with the Northern Island system—whether it was possible to bring into operation a uniform system. *23rd Aug., 1877.*

690. *Mr. Wood.*] Could you give the Committee any approximate idea of the extra cost of auditing these railway accounts. Two or three years ago there were no accounts of that kind to audit. What additional cost do you suppose has been thrown upon the Audit Department in consequence of the establishment of the railway system?—When the Northern lines were opened, there was a great desire on the part of the Government to economize as much as possible in the system of audit, therefore there was an arrangement made by which the Accountant's Office for Constructed Railways should be worked jointly with the Audit. It was agreed that the Commissioners of Audit should appoint a head clerk, who should be Audit Clerk, and that the Accountants to be appointed by the Public Works Department should work under him, so that the expenses of the three or four clerks who were employed were borne upon the estimates of the Public Works Department, half being paid out of the Consolidated Fund and half out of loan. That system went on until the Middle Island railways were taken over, when it was considered that the whole expense of auditing ought properly to be borne by the estimates of the Audit Office, and additional clerks were appointed to meet the increased work of auditing the lines that came under our control in Otago and Canterbury.

691. What is the cost of that—because in point of fact an additional establishment would have to be created?—There have been three additional clerks appointed with a salary of £125 per year. There may perhaps be one additional clerk required.

692. That is the extent of the increase?—Yes.

693. I think I understood you to say that upon the whole the weekly system had an advantage over the monthly system, in that there was less work attached to it?—I think so from my experience.

694. The accounts are sent in weekly upon certain forms?—Yes.

695. Surely it must take four times as long, or say three and a-half times as long, to make out four weekly returns as it would to make out one monthly return. It may not be so difficult to make out a weekly return as a monthly return, but certain forms having to be filled, and a certain number of columns to be filled, it makes very little difference whether the amounts are small or large?—I think when the trouble involved in the ascertainment of arrears is taken into account, no one with any practical experience of the matter will deny it will take a much less time to balance weekly accounts than it will to balance monthly accounts.

696. I should have thought these accounts were not sufficiently complicated to lead to any difficulty in balancing?—Many of the accounts are very small.

697. But it is only a question of receiving moneys and paying them into the bank. It is not like the complications of companies' accounts, in which half-a-dozen different accounts have to be kept, and balances may come out in an entirely inexplicable manner from some prime element or another having been entered in a book. The work on a railway is all done on particular forms, and I cannot see, except there is carelessness, how there can be any difficulty?—There is complication in this respect, that the accounts have to be supported by the abstracts, and the abstracts have to be supported by the way-bills. May I be allowed to mention one point in connection with weekly accounts which I neglected to allude to when under examination by the Chairman. By the system of monthly accounts the audit is greatly delayed—delayed to such an extent as to seriously impede inquiries as to mistakes in the accounts. Take, for instance, the Christchurch office. The balance-sheet of the monthly accounts cannot be made up much before the 20th of the month following. It then comes up here, and before it can have been gone through thoroughly, two months will have elapsed; and if mistakes are discovered it is imperative to ask officers to explain small errors in their accounts which occurred two or three months previously. They have no recollection of the matter, and they have to go searching through the accounts for a considerable time perhaps before they can find the particular transactions in respect of which there have been errors, the result being a very great waste of time; whereas, if we have weekly accounts, we are able to detect errors so expeditiously that the officers are able to answer any inquiry with the aid of memory. I may mention, too, that the audit in all the Government accounts has been greatly advanced by the weekly system. Formerly, many of the accounts were two years in arrear, now the average certainly is not more than two months.

698. I understood there was another advantage in weekly accounts—that it provided a speedy means for the detection of defalcations and falsification of accounts?—Yes.

699. Have there been many defalcations in the New Zealand public service?—On the whole I think there have been marvellously few.

THURSDAY, 23RD AUGUST, 1877.

Mr. BACK examined.

700. *The Chairman.*] You are in the Audit Office?—I am not now connected with the Audit Office. I am Accountant for Constructed Railways.

701. Do you see the accounts that come up from the different districts?—No; they go to the Audit Office. When checked, the results are forwarded to me.

702. *Mr. Larnach.*] You are Accountant in the Railway Department?—Yes.

703. Then you should be able to give us an opinion as to the working of the weekly and monthly systems. What is your opinion?—My experience was entirely of weekly accounts, therefore I have not had an opportunity of observing the relative merits of the systems.

704. The position you hold is a responsible and important one?—It is.

705. Might I ask you what your experience had been before you joined the Government service?—I was for some considerable time in the houses of Thomson and Co., Burnett, Edwards, and Co., and

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other firms, in London and the colony. I went through every branch of a mercantile office, and I have had entire charge of more than one branch.

706. You understand book-keeping thoroughly then?—Yes.

707. Mr. Bunny.] By whom are Travelling Inspectors appointed?—By the Government.

708. How many of them are there?—I do not know of my own knowledge.

709. Are they men of experience?—I am only acquainted with one of them.

710. Is he a man of experience?—I believe he has had bank experience.

Mr. Billing.

Mr. BILLING examined.

711. The Chairman.] I believe you are connected with the Messrs. Brogden?—Yes.

712. What are you—their general agent here?—I am their managing clerk.

713. Are you in a position to say whether that firm, when they worked the Auckland and Onehunga Railway, derived any profit from it? They paid £300 a month rent to the Government, did they not?—I am not aware that they paid any rent. They arranged to work the line, as the Government could not take it over just then; but there was no payment made for it. There was a subsequent offer made to lease it, which was not entertained.

714. What was the profit? The result of the four months' working was a profit of about £1,215. We were to have worked it until the end of March—that was from 1st January, three months; but at the request of the Government we kept it until the 30th April, and they took it over on 1st May. That was the profit we made, and in January, next year, the Engineer-in-Chief having reported that the line was losing £130 per month, we offered then to rent it from the Government for £150 per month net, and as soon as the line was opened to Mercer for £300 a month, the arrangement to be in existence three years; but the offer was never entertained.

715. When the Brogdens worked the line for four months, and made the profit you speak of, did they include in the expenses the cost of the maintenance of the permanent way?—At the time the line was finished the firm were bound to keep it in repair for three months, and the cost of maintenance was charged against the contract. The maintenance cost about £130 for the extra month, and this I have taken into account.

716. You have deducted it from the profit actually made?—Yes.

717. Do you know whether it is usual both in England and America for railway lines to be leased?—In England I know it is a general practice for small companies to lease their lines to larger ones.

718. Are you aware whether in those cases sufficient provision is made for the maintenance of the rolling-stock and permanent-way by the lessees?—Yes; it is usual for the large company proposing to take over a small line to take the average earnings of the previous three or four years, and guarantee the payment of a certain yearly sum. A valuation is made of the rolling-stock and the permanent-way, and the lessee undertakes to return full value when the line is given up again.

719. Do you believe it would be possible for the Government here, if they wished to lease a line, to make sufficient provision for the maintenance of the rolling-stock and the permanent-way?—Most decidedly I do.

720. Mr. Stevens.] I understood you to say that when the line was handed over to the Government they made a loss in working it of £150 per month?—Yes.

721. And you made a profit in four months of some £1,200?—Yes.

722. Can you attribute to any particular cause the difference between the results of your management and that of the Government?—Well, in my opinion—and I may say it is the opinion of many people who are qualified to pass an opinion on the matter—the Government do not show sufficient energy in attending to the requirements of the people of the district. We started the traffic upon the line by studying the interests of the community and the convenience of the travelling public in every possible way. We sometimes ran trains that did not pay in order to encourage traffic, knowing that it would pay us in the end, and we gave particular attention to the steamer traffic, running special trains to Onehunga to take passengers to or bring them from the steamers. We thus got nearly double the traffic that there is now.

723. With respect to your fares, did you charge higher than is charged under the present arrangements?—Yes.

724. What about goods?—The quantity of goods carried was not very large—it was only some 2,200 tons for the four months. There was not time for a traffic to be created by us. We carried 62,000 passengers.

725. Mr. Larnach.] The principle of your firm was to run trains and study the convenience of the public, and if you could not carry them at one price you would at another price?—Yes; just on the same principle that guides those engaged in large commercial transactions. For instance, a shipowner would rather take your freight at a price that does not pay than run his vessel empty, in ballast.

726. I am not quite clear as to the reason you gave for there being such a large difference between the results of the two systems of working?—I will say this: It is just possible that at the opening of the line the novelty of railway travelling might have induced a certain amount of traffic, but I do not consider that would make any appreciable difference in the results of our four months' working. I can only attribute the falling-off to the fact that the requirements of the public were more consulted under the old system than they are now, and that consequently many people travel by the coach.

727. In your opinion new lines are bound to create a traffic?—Not exactly so. The novelty soon wears off. For a short time there is a rush of excursionists who have never ridden on or perhaps seen a railway before, but it does not last long.

728. But I mean to say a railway commencing to run in a new district has to create a traffic by encouraging persons to build residences along the line?—Certainly it has to create a traffic. That is the great secret of the success attending many of the large lines at Home. They study the con-

venience of people by running trains to the suburbs—special trains frequently—and thereby create a large amount of traffic. The same principle would apply on the Wellington and Hutt line.

729. Are you aware where railways have been established some time without getting an increased traffic, that steps have been taken to create a traffic by giving people free passes for a certain period?—I do not know if that is the case. I know companies have offered some very extraordinary inducements by fixing the fares at a low rate, but I do not know that they have ever gone to the length of carrying people free.

730. *Mr. Macandrew.*] Supposing your firm leased the Hutt Railway, and you had the management of it, would you work it differently to the manner in which it is being worked now?—That is a question which I should not like to answer without some little consideration; but I am sure if the principle I have referred to were carried out, and attempts were made to secure all the traffic by offering liberal inducements to those who might travel upon and send their goods by the trains, that much would be done to establish the prosperity of the line.

731. Did you retain in your hands the power of fixing the fares upon the Auckland and Onehunga line without any control being exercised by the Government?—Yes.

732. *Mr. Wood.*] There was not a very large goods traffic on the line?—No; only 2,200 tons were carried. We did not lay ourselves out for it.

733. You had very little station accommodation?—No; the station buildings were scarcely finished. Temporary station offices were put up by us.

734. What were your charges to Onehunga for passengers?—Single first-class tickets were 1s. 6d.; single second-class, 1s.; returns were 2s. 3d. and 1s. 6d. respectively.

735. And how many passengers did you carry?—61,700 is the exact number.

736. That is during four months?—Yes.

737. What alterations did the Government make in these prices?—I cannot say what was done immediately after the Government took the line over. The present fares are:—First-class, 1s.; second-class, 9d.; returns, 1s. 9d. and 1s. 3d. That is a reduction of 60 per cent.

738. And they carried half the number last year that you carried in four months?—I cannot say. I have not the figures.

The Chairman: The total number of passengers carried on the line is set down at about 104,000.

739. *Mr. Wood.*] And you carried 61,700 in four months?—Yes.

740. Did you make it pay?—Yes; to the extent I have stated.

741. And the Government do not make it pay?—I believe not.

742. How do you account for that?—Because there has been dissatisfaction on the part of the public at the rates charged; and they have not supported the railway as they would otherwise have done.

743. You ran a great many Sunday trains?—Yes.

744. Did you make any difference in the fares?—No.

745. Are you aware whether there are any Sunday trains running now?—Two a day, I believe.

746. You used to run trains every half-hour I believe?—About every three-quarters of an hour.

747. And they were crowded?—Yes.

748. That was so for a period of four months?—Yes.

749. Do you think if the same firm again got the railway, and again acted upon the principle of studying the convenience of the public, instead of binding their officers down with red-tape regulations that they could again make the line pay?—I have no doubt that if the present arrangements were considerably modified, so as to meet the interests of the travelling public, there would be, instead of a loss, a large profit.

750. *Hon. Mr. Ormond.*] You say our fares were made the same as were charged when your firm had the Auckland line?—Yes.

751. They were not altered?—I think not.

752. What was your practice with regard to excursion trains? Did you cheapen the fares for them?—Yes.

753. Did you run the trains as excursion trains?—Yes, they were called excursion trains. They were placed on the time-table as pleasure trains.

754. To where did you run them principally?—Only to Ellerslie and Onehunga. There was very little intermediate traffic at any time.

755. You consider the Government injured the prospect of profit on the line by reducing the number of trains run on the line?—Yes. I know the number of trains run was considerably reduced. I am not able to say anything as to the extent of the reduction, but I know that was one of the grounds of complaint. When it was found certain trains did not pay, they were immediately taken off, which created a great deal of dissatisfaction. It was no doubt done for the best.

756. How long was it before the Government reduced their fares?—At least six months, I should think. It should be said, in justice to the parties who took the line over—Mr. Passmore having only just arrived—that everything was in confusion for a time. That had been one of the causes which led to our taking over and working the line for a time.

757. Can you tell the Committee how much of the passenger traffic was excursion traffic?—We did not classify the returns. I have no doubt, however, that a great portion of it was excursion traffic, and I believe the same thing could be repeated if sufficient inducements were held out.

758. You spoke of the traffic you had made in running trains to meet the steamers: was it lucrative?—Not necessarily. It was done for the convenience of passengers.

759. The traffic was mainly to Onehunga?—I might say only to Ellerslie and Onehunga.

760. You did not get any intermediate traffic from the suburbs?—No; there was nothing worth speaking of at any other stations. Seven-eighths of the traffic was between Auckland and Onehunga.

761. *Mr. Stevens.*] In the offer made by Messrs. Brogden to lease this line for three years, were they to maintain the line and rolling-stock in perfect order?—Certainly; to the satisfaction of the Resident Engineer.

Mr. Billing.
—
23rd Aug., 1867.

762. When you spoke just now of the profit or loss on the Auckland railways, were you aware that this line in question returned £4,204 towards the payment of interest last year?—I was not aware of it.

763. Do you consider that a fair return for that line?—In comparison with the manner in which we worked the line, it is.

764. Do you consider under the present condition of affairs—the increased requirements of the public—that that is a fair return to get for that length of line?—The length is 40 miles. A railway of such a length in such a district should return five or six times that amount.

765. Do you consider it ought to pay working expenses and interest as well?—I should think so.

766. *The Chairman.*] Which do you think preferable—a system of weekly or monthly accounts?—As a matter of economy, I should think the simplest thing would be to appoint travelling auditors, as is done on the lines at Home. Let each one have charge of a certain section, and be made responsible for that section, and report to the head Audit Office.

767. Would that do away with the necessity for weekly returns?—Well, a man in that position could detect anything going wrong and set it right at once, thus not requiring a frequent system of returns.

768. We have a local audit and a general audit. Every Stationmaster furnishes to the local audit even the way-bills, which, together with the other returns, have to be sent to the Audit Office in Wellington. Do you think that necessary?—I think it is superfluous.

Mr. Buckley.
—
28th Aug., 1877.

TUESDAY, 28TH AUGUST, 1877.

Mr. BUCKLEY examined.

769. *The Chairman.*] We wish to get some information from you, Mr. Buckley, with regard to your experience of the working of the system of vending railway tickets as carried on in America?—I was travelling in America nearly four months last year, and had an opportunity of seeing how the principle worked.

770. Will you be kind enough to explain to the Committee what facilities you had for obtaining the information we are desirous of getting?—In all the large hotels tickets can be purchased, and should you not be able to get them at the hotel, they can always be had close by, at one of the regular ticket offices. The ticket offices are also combined with the offices of forwarding agents for luggage, &c.

771. Do you know what facilities are offered by the railway companies to those forwarding-agents and ticket-sellers? What terms and conditions do they enter upon? Have you any idea?—I do not know what is the usual arrangement they make with respect to forwarding luggage. From the forwarding-agents can be obtained the checks which are usually given on the railway for luggage. These agents would come to the hotel and take the luggage away, charging for their own services as well as for luggage, should it be overweight.

772. How long are these tickets available?—You can get them for almost any time. The ordinary time is for one month, but they can be got for six months. I myself held one that was available for six months. It carried me through the greater portion of the States and also through Canada, then to New York, and by steamer to Liverpool. I had the alternative of travelling by steamboat through the lakes, and by coach across country.

773. Could you travel over the different lines of railway with it?—Yes, over the different lines owned by different companies.

774. Have you ever heard any complaint in America about the losses that accrue in consequence to the companies?—I have never heard. The system is generally adopted both in America and Canada, and I believe has proved satisfactory. I fancy there are no losses. The ticket system appears very simple. The tickets are issued in the form of coupons. Nearly all the railways are divided into sections, and for each section upon which you travel there is a coupon. The conductor enters the carriage at the first station of the section and marks the coupon, and when he reaches the end of his section he takes the coupon away.

775. What kind of mark does he place on the coupon?—Just the usual one. He nips it.

776. Is each one differently nipped?—Yes, according to the different company or line.

777. Do you consider that system of great convenience to the public?—Of very great convenience. I never used to get tickets at the stations. I always got them at the hotel, or somewhere close by outside, even if I were only travelling a short distance.

778. The tickets are not dated?—Those at the ticket office are not dated. At the railway ticket office the usual tickets are issued, and bear a date. Those issued by the ticket offices appear to be a plain ticket, in the form of coupons attached to each other, with the necessary information printed upon them, stating the place it is for, &c. I would remark that the ticket office stamps each coupon with their name and date of issue.

779. With regard to luggage, do you consider the system of transferring luggage, and the town-delivery system, a good system, and convenient to the public?—I consider it affords great convenience to the public.

780. Then you know no reason why the same system of selling tickets and town delivery of luggage could not be adopted in New Zealand?—No; I do not know of any reason why it should not be adopted here. I believe, when I was in Melbourne in May last, they were thinking of introducing the American plan of delivering luggage in Victoria. The system is so very simple, and wherever you go you can have your luggage forwarded. If you wish you need only keep part of your luggage with you; the rest will be forwarded on for you. I very often did not see a portion of my luggage for a fortnight or three weeks. Where it is detained for any time, the company charge some small sum, as is done in deposit offices. If you intend to stay at any place along the way, you see one of the ticket agents who come into the carriage. From him you can obtain what checks you require, for he will

have a number belonging to the railway companies. If you want your luggage transferred for any particular place along the route, he takes charge of it. If you wish it, he will forward to any hotel you intend putting up at. All that you have to do is to give up your checks, when you will very often find your luggage at your hotel as soon as you arrive yourself.

781. Can this be done on any stage along the line?—Yes.

782. *Mr. Macandrew.*] Would tickets issued—take, for instance, the Wellington and Hutt Section of railway—be available for any time?—Yes, for that short line. If you did not ask at the ticket agencies, and specify the period for which you required the ticket, the agent would give you a ticket for a month; but you could get, by asking for, any time you liked. By getting it at the railway ticket office it only serves for a day. But you can get other tickets at the offices, if you apply for them. The time-tickets that are issued are in the shape of coupons; the ordinary tickets the same as we have here. The ordinary tickets have a date stamped upon them.

783. Did I understand you to mean that the ticket you had took you right through, without your getting other tickets for the road you travelled over?—Yes. When referring to the railway sections, I should have pointed out that all the railway companies' lines in America are divided off into sections, each section taking in about a day's journey. To these different sections are appointed conductors, who come on the train and take charge of the tickets. When he comes on first he marks the tickets of all the passengers, and looks after all those who enter at the stations along the way, and when he leaves he takes the tickets with him.

784. *Hon. Mr. Ormond.*] When you start do you define your route and get coupons for the different sections along that route?—Yes. You must travel over the particular line for which you get the coupons.

785. *Mr. Macandrew.*] I understand the ticket agent does not pay cash for the tickets?—As I understand the system, he remits every week the proceeds of what he has sold. He sends a list of the tickets he has sold and sends in the remittance every week.

786. *Mr. Stevens.*] I suppose they give security?—I do not know whether or not they give security. Most of the large ticket agents hold tickets to take any one over every line of the States and Canada.

787. *Mr. Macandrew.*] What is their profit?—I believe they derive some small commission from the sale.

788. *Hon. Mr. Ormond.*] Does such a system open the way a good deal to fraud, or not?—I can hardly say. The conductors have to produce their tickets, and the company check the returns sent in by the ticket agents for the sale of coupons.

789. Supposing a person in Canada produced a ticket got in San Francisco, and that ticket were stamped fraudulently, what means would there be of detecting the fraud?—Well, I fancy they might be imitated in that way; but I should imagine it was not done, or they would not continue to carry on such a system. You get all the coupons, as it were, attached, so that you can tear one off when you need it. I should mention that on these coupons there is a private mark of the different railways, not merely a simple printed form. The railway authorities also stamp tickets in America. There is apparently a private mark on each coupon. In some cases they have a signature attached to them.

790. *Mr. Macandrew.*] Do you know anything about the system of audit on these lines?—No, I do not.

Mr. PILCHER, examined.

Mr. Pilcher.

791. *The Chairman.*] Mr. Pilcher, I believe?—Yes. My name is Thomas William Pilcher. I am a forwarding agent and railway carrier, residing in Wellington.

792. Will you state to the Committee what information you desire to give them, or whatever complaint you have to make?—My opinion is that the excessive charges along the line at the present time under the new regulations will prevent there being so much traffic for the railway as there has been hitherto. I think, in fact, I can prove this myself. In July, 1876, I chartered railway trucks at the rate of £2. I paid for that month £89 to the Government for trucks alone; and in July, 1877, I paid only £43 to the Government.

793. How was the deficiency caused?—Owing to the falling off in trade.

794. Was it owing to the increased rates on the railway, or the want of conveyance?—I think it was principally owing to the increased rates. I asked the Government last year to make a further reduction in the charge for trucks. They made a reduction, but it was not sufficient. The consequence was I could not hire the railway trucks to bring down the wool. Instead of having, as I expected, something like 300 bales of wool brought into town per week by train, I got about fifty.

795. Perhaps it would be well to state what were your proposals to the Government?—To have trucks for goods and wool at 1s. per mile haulage, equal to 20s. for trucks to the Upper Hutt.

796. All you wanted was simply to hire the trucks at reduced rates?—Yes.

797. Was this traffic, which you say was lost to you, lost also to the railway?—Yes, of course it was. The carriers who brought in the wool went back full.

798. The wool lost to the railway was brought in by drays, and those drays went back from town with goods that would otherwise have been sent by train?—Yes. If they could send empties, and let trucks for firewood out at 15s. 10d., they could afford to let me have trucks both ways at 20s. each. Empty trucks are daily being sent for a return load of firewood at 16s. 8d. each.

799. Can you draw any comparison between the old charges on merchandise, and the present charges under the new tariff?—The difference between the old rate of 8s. per ton measurement and the present classification is about 1s. 3d. less, such as corks, millinery, furniture, fancy goods, tea, &c.; but all dead-weight goods are much higher than the old rate of 6s. 4d.—viz., flour, nails, soap, iron, hides, butter, potatoes, coals, &c.

800. Anything else?—Yes; I have a few items here. Butter under Class C is now 9s. 2d., instead of 6s. 4d. The minimum of the old rate was 1 cwt.; the minimum now is 2 cwts.

801. *Hon. Mr. Ormond.*] Are nails under Class C?—Yes; 9s. 2d. a ton.

Mr. Pilcher.
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802. Is not flour lower?—No; it is 6s. 8d., and 12s. 6d. under two tons, in terms of a memorandum dated the 27th June, 1877.

803. *The Chairman.*] From whom is the memorandum?—It was a slip from *Gazette* No. 58.

804. *Mr. Macandrew.*] Do you mean to say that under the present regulations a man can send two tons of flour for 13s. 4d., while one ton costs 12s. 6d.?—I paid it myself only yesterday. As per memorandum, or *Gazette*, of 27th June—I think that is the date—any quantity of flour under two tons is to be paid for under Class A, instead of Class E.

805. What is the operation under Class A instead of Class E?—Under one class a ton of flour can be sent for 12s. 6d., and under the other 6s. 8d.

806. *The Chairman.*] It merely doubles the charge then on a ton of flour?—Yes.

807. What is it you say about the regulations under which you can carry a ton of flour for 12s. 6d., and two tons for 13s. 4d.?—I speak of the clause in the regulations of June last.

808. *Hon. Mr. Ormond.*] What was it you said you paid yesterday for the carriage of a ton of flour?—12s. 6d. for a single ton for twenty miles. It was for Greytown, taken by Walker, the carrier.

809. *The Chairman.*] And that you paid yesterday?—Yes.

810. And you could have taken two tons the same distance for another 10d.?—Yes; I will read three or four lines from my agents at the Upper Hutt:—"One ton of flour cost 12s. 6d., when two tons would only cost 13s. 4d." I have been paying at this rate for about the past week. Unless I could make up the quantity of flour to two tons I had to pay 12s. 6d.

811. *Mr. Bunny.*] Then, the instance of yesterday is not the only one?—No; there is more than one instance. There is another great complaint about the carriage of sheep. They have to be paid for at the rate of so much per score or fraction of a score. If the number of sheep sent is twenty-two, two score have to be paid for under the old tariff.

812. How about one sheep?—Have to pay for one score.

813. *Hon. Mr. Ormond.*] If you exceed the score by one you are charged for two score?—Yes. *Mr. Cruickshank* is my authority.

814. *The Chairman.*] You spoke of potatoes just now. If you had any onions what class would they go under?—I have had so few that generally I put them under Class E, with potatoes, &c.

815. Is there a different charge for potatoes than for onions?—Yes; they go under Class D. Potatoes come under Class E.

816. I saw by the Canterbury papers a different price is charged for onions than for potatoes. Will you explain concisely what was actually your arrangement with the Government?—Up to the end of September, 1876, I had an arrangement with the Government to hire trucks at the rate of £2. I then paid £1 13s. 4d., with the right of putting 5 tons of any class of goods, taking upon myself all responsibility of loading and unloading, and receiving and delivering. Since the 30th June I have been unable to get trucks on that arrangement. It has been stopped, and I now pay the ordinary tariff according to classification.

817. *Mr. Macandrew.*] I understand you to say that formerly you got trucks at 20s.?—No, never less than £1 13s. 4d. They were £2 at the commencement.

818. At all events, I understand you to say that the railway receipts have fallen off about £40 a month?—In July, 1876, I paid the railway for that month £89, and the corresponding month this year I paid £43.

The Chairman: *Mr. Pilcher* says they have lost that amount of traffic from him alone.

819. *Mr. Macandrew.*] There is a loss of £46. Has this trade gone through any one else?—It has gone straight into town; not through any one else. I will read a portion of my letter written to one of the Ministers:—"Statistics for two weeks ending 27th January, 1877: Wool and timber from above the Upper Hutt railway station—680 bales wool, brought in by 25 wagons, 9 brakes, and, taking a fair average, they would return with 126 tons of goods; against 12 trucks sent by me through rail, including Upper Hutt goods, equal to 60 tons; 68,000 feet timber by 28 wagons, which all take a few goods outwards; amount of wool through me for corresponding period 106 bales." I wrote this letter to *Mr. Ormond* in February, and received a reply in June. These are statistics I got from the toll-gate keeper, Kaiwarra, and checked by myself.

820. *Mr. Reader Wood.*] Can you say positively that if you had obtained the sanction of the railway to your original arrangement, the railway would have had all the lost traffic?—Not the whole of it.

821. What proportion?—I could almost guarantee, say, one-half.

822. *The Chairman.*] Half of the wool brought into town by the drays?—Yes.

823. You would have got half of that wool if you received the concession you asked for?—Yes, being agent for seven carriers at that time.

824. *Hon. Mr. Ormond.*] You stated just now that, in consequence of your having been refused the concession you asked for with regard to the trucks, the railway receipts fell off to a loss of £46 a month?—They were £89 in July, 1876, and only £43 corresponding month 1877.

825. Was that from your own business?—Yes.

826. Are you aware of the relative returns from the different railways during those months?—No.

827. Are they more than doubled?—I do not know whether they are doubled this month. It could not be on the goods if they are. It must be through firewood and timber. There has been a great deal of timber and firewood carried by rail.

828. As I understand you, the railway receipts have fallen by a certain amount per month, in consequence of your not getting trucks?—They fell off last wool season by my not getting trucks. If they agreed to my offer, and I got the wool, the train would not have had to run twenty miles empty wagons. I was prepared then to get the wool, deliver, and charge less than railway tariff. My profit consisted in the goods sent back.

829. You spoke just now of the tariff having been raised after that time. Was there any alteration in the tariff about that time?—I do not say so. The tariff has been raised since the 1st July, 1877.

830. Are you not aware that in many things there is a considerable reduction?—There is in some things that are included in Class A, such as tea. *Mr. Pilcher.*
 831. Is there a large reduction in the carriage of flour?—It is the reverse; the old rate was 28th Aug., 1877. 6s. 4d., the new rate is 6s. 8d. and 7s. 6d.
 832. You are taking a single ton?—Yes.
 833. What is the present rate for flour for two tons and upwards?—13s. 4d., that is for two tons. The single ton formerly was 6s. 4d., it is now 7s. 6d. (Class D, *Gazette* No. 62, 19th July, 1877.)
 834. For what distance?—Twenty miles.
 835. It is now what?—6s. 8d., two tons and over.
 836. *The Chairman.*] That is not according to the public list of charges; there the charge is only 4s. 2d.?—Yes, add 2s. 6d. terminal charges will make 6s. 8d.
Hon. Mr. Ormond: The charge is 2½d. a mile.
 837. *Hon. Mr. Richardson.*] Are you prepared to state, Mr. Pilcher, that the turnpike road at the Upper Hutt was in as good order in July last year as in July this year?—It may be a little improved now. It was earlier than July when the bridge was broken down.
 838. Was it not the case that the traffic on the road was very seriously interfered with during the winter months last year, and to a greater extent during the winter months of this year?—I do not recollect any serious complaint, but have heard that the road is worse this year. That was not the reason for the difference in receipts.
 839. *The Chairman.*] I would like to ask you one question: Suppose goods are put on for Ngahauranga, would the railway company carry them there?—No; Mr. Tyer sometimes puts off sheepskins and hides over the fence.
 840. What becomes of the goods left in truck?—The railway company carries them on to Wellington, and they have to be carried back by dray. I tried to see if I could get a truck to go to Ngahauranga, but the railway authorities would not allow it.
 841. Does that system obtain on other stations?—No.
 842. *Mr. Bunny.*] If goods are coming down from the Upper Hutt, will not the train stop?—Yes, for a little while, to land and pick up passengers.
 843. *Hon. Mr. Richardson.*] Is there a siding there now?—Yes.
 844. *The Chairman.*] You do not know if the same thing obtains at other places?—No.

WEDNESDAY, 29TH AUGUST, 1877.

Mr. Lawson.
 29th Aug., 1877.

Mr. J. LAWSON examined.

845. *The Chairman.*] What is your position in the Railway Department?—I am General Manager—properly speaking, Traffic Manager.
 846. Will you state what experience you have had in railway matters and so forth, whether at Home or in the colony?—I have had about seventeen years' experience at Home.
 847. That is, in the management of railways?—In the management of railways.
 848. How long here?—Three years.
 849. You were a member of the Railway Commission, I believe?—Yes.
 850. I should like to have your opinion as to the weekly system of accounts that has been adopted recently—whether you consider it is necessary, convenient, and inexpensive?—Well, in the first place, as I stated at the Commission, I consider it is unnecessary. It was the system in vogue upwards of twenty years ago where now they have the calendar monthly system.
 851. What were your particular and general objections to it?—I considered it unnecessary in the matter of the expense involved in maintaining it. I may say that when I went to Canterbury I found that the weekly system obtained there, and I got permission from the Provincial Government to change it to the monthly one. I consider that the change was a complete success, and it was generally admitted by the employés that it was so.
 852. Then the employés under the weekly system have more work to perform?—It is incessant work. Under the monthly system the clerks had time before the next returns came in to get everything in order, and to perform their other duties more perfectly.
 853. Have there been any extra men employed or any extra labour in consequence of this weekly system?—Yes, at the principal stations.
 854. Can you give the Committee an idea how many there were in Christchurch?—I have got some information upon that point. In the accountant's office it necessitates very long hours for the general staff, and the accountant tells me in his letter here that he considers it will take two additional clerks in his department. He complains very much of the hardship and incessant long hours to get up the work, and he gives as a reason that many hands cannot get on to the work at once. At Lyttelton it will ordinarily take four extra hands, and he goes on to say at least two more will be wanted during the busy season.
 855. That is eight?—And at Christchurch four additional.
 856. In what department is that?—In the goods department.
 857. But does it affect the passenger department?—Yes; and in a similar way it will affect the other larger stations, such as Timaru and Oamaru. But it will affect all stations. In this way it will affect small up-country stations, where there are not men accustomed to making up accounts and balance-sheets, and in making up these they make a great labour of it. It occupies a great deal of their time. That will not matter much during three-fourths of the year, but during the busy season they will be engaged on these when they ought to be in the shed tallying grain. Thus it really affects every station. I may mention that to small up-country stations it is a very serious matter, because

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there is no doubt that the men should be in the shed tallying grain and sending it away when they will be poring over these accounts and balance-sheets.

858. Is this weekly system that is adopted here similar to what is called the clearing system in England?—The clearing system in England is a monthly system. It is carried on by the clearing-house.

859. You know that of your own knowledge?—I do.

860. What is your opinion of the central audit system that is now in force?—Well, I feel very strongly upon that point also. I think there should be a local audit. To fairly and effectually check the accounts it can only be done by a local audit. We have 380 miles of railway open now in Canterbury. When it gets through to Dunedin I would say a position like Oamaru would be a central position for the audit.

861. But still you would have a central audit here or there?—I would simply send up completed accounts for the audit. They should be completed locally.

862. How many returns are made under the present system?—I think I have a list somewhere: Parcels way-bills, goods way-bills, balance-sheet, passenger summary, excess fare sheet, season tickets, special and excursion return, parcels labels return, left luggage &c., storage and labour, parcels abstracts, parcels summary, goods abstracts, goods summaries, outstanding sheets, local wharfages, and through wharfages.

863. How many is that?—Seventeen. Local wharfages only apply to Lyttelton, so that there are fifteen for all other stations.

864. And these have to be made out weekly?—Yes.

865. Sent to Wellington by every station?—Yes.

866. Do you know whether this weekly system in only sending accounts to the Audit is satisfactory to the employés on the railway?—No, they are very bitter against it—very bitter, indeed, from all quarters. They consider it a great hardship, because it is incessant toil. They no sooner get clear of one week than they have another on the top of it. Under the monthly system they have leisure for their work.

867. Is the weekly system any security against fraud more than the monthly system?—It is short reckoning, and that sort of thing; but in practice we find no difficulty in the monthly system in Canterbury; and we may be very well sure they would not adopt the monthly system on the large lines at Home if they did not find it a success. We never experienced any difficulty in Canterbury during three years under the monthly system in the direction you have indicated.

868. Can mistakes and errors be discovered and corrected sooner, and more satisfactorily to the public, under it?—The public are not affected by the change of system. The public have nothing to do with the mere departmental work. If you ask me whether the accounts can be cleared up as quickly for purposes of audit, I should say it might just as well be done under the monthly system.

869. Will you explain how the remission of 9d. per ton for unloading grain at the up-country stations is treated in the accounts?—The grain is invoiced at the full rate—it may be from Christchurch to the up-country station. It is only at the up-country stations where the remission is made, not at the chief stations. The full rate is invoiced. If it is unloaded by the consignee he pays the full rate, and 9d. per ton is remitted to him. The voucher is signed, credit is taken by the Station-master, and the vouchers are attached to the balance-sheet.

870. And that is the authority?—Yes. The balance-sheet comes to Wellington, and the voucher must too. I could not say if it is attached to it, but I believe it is. They would require it in Wellington.

871. Could you not save the trouble by simply passing the way-bill through, less the sum of 9d.?—I may tell you I have already suggested that.

872. You say you have had seventeen years' experience in the management of railways at Home. Will you tell the Committee what is the custom ruling at Home with regard to the Managers of railways, whether they are civil engineers or not?—I certainly know of one or two instances where the Manager happens to be a locomotive engineer, and combines the two things; but on the leading railways, what are termed "General Managers" are certainly not civil engineers.

873. Will you name some?—Mr. Cawkwell, of the London and North-Western; Mr. Allport, of the Midland Railway; Mr. Smithells, of the Caledonian; Mr. Underdown, of the Manchester, Sheffield, and Lincolnshire; Mr. Grierson, of the Great Western; Mr. Swarbrick, of the Great Eastern; and Mr. Fenton, of the Metropolitan. These are some of the leading ones; and I can speak positively that not one of them is a civil engineer. I know two or three instances where they have occupied the joint positions of Locomotive Engineers and Traffic Managers.

874. It is the exception and not the rule?—Yes, decidedly so, in England. I do not know what it is anywhere else.

875. If in New Zealand the question became one as between the appointment of a civil engineer for the management of railways and that of a good business man, say a commercial man with a knowledge of railways, which do you think would be the best man. I am now speaking of the management of constructed railways?—The civil engineer might be a good business man and combine the other quality also. I should prefer a man who had some practical knowledge of what he was expected to direct.

876. And therefore you do not consider it is any advantage to a man as a Manager, simply because he happens to be a civil engineer?—It would be simply foolish of me to attempt to direct the locomotive or the permanent-way department. I know nothing about either. Another business man might, or he might not, be in the same position.

877. Some time ago instructions for conducting railways were issued to the employés. Are you aware whether the Railway Commission recommended those instructions or not. I refer to the printed instructions and rules that were issued?—In regard to that, it was left until the last moment. Mr. Passmore undertook to prepare and forward to each member of the Commission a proof of the rules. They are really the English rules. With few exceptions, the rule books are alike as far as

possible. It was understood that each member of the Commission should have a copy of them for revision. For my own part, I did not get a copy, and I first saw them in a printed form.

878. *The Chairman.*] In this form (pointing to a book of rules)?—Yes; that was the first shape in which I saw them, and then they had been issued. They came immediately after they were printed.

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879. Did you make any objections to the Government respecting them?—No, I did not.

880. Do you consider these rules are really practical?—The majority of them are. There are a few things, of course, which might be improved. For instance, the gatekeeper is supposed to be on duty day and night. With a few qualifications such as that there would be really nothing highly objectionable in the rules. There is one about facing-points that we had some bother about, and that was set right. They are workable now, so far as I know. There was another serious objection in one rule which required that the guards of railways should stand by their brakes. The Stationmaster, or person in charge, was supposed to hold the facing-points whilst the train passed, but at many of these places the facing-points were not within three or four miles of a station. When they came to these places the engine-drivers would stop the trains and begin whistling for somebody.

881. How did you like that rule?—We had to alter it. It is quite sufficient if the points are locked and pinned.

882. Was that alteration made by the authority of the Chief Engineer?—No; I took it upon myself to do it, because it was a matter of urgency, and I got the sanction of Mr. Conyers immediately.

883. With regard to the rule that necessitated the guard being at his brake always, what was the effect of that. Did it cause any increase in the number of guards?—It caused the ticket-sellers to be put on.

884. Do you think that was necessary?—No; it was not.

885. What amount of expense was incurred by the appointment of those persons?—It cost about £3,000 a year in Canterbury.

886. Did you make any representations to the Superintending Engineer?—I did verbally, but I received instructions simply.

887. The extra hands have been dismissed since?—Yes; they have.

888. Was that the first step taken to remedy the matter?—I think the Superintending Engineer made some representations to Wellington, but I know nothing further. So far as my district is concerned they were dismissed immediately on the receipt of my instructions to dismiss them, with the understanding that they were to receive the authorized pay in lieu of notice.

889. You received no other instructions, except absolutely to dismiss them?—No other.

890. I want to ask you about the railway tariff. Will you state whether, in your opinion, during the last month, the railways have been used by the public as much or more than they were in the corresponding month of the year previous?—Are you speaking generally of the traffic?

891. Well, give us your opinion as to the passenger traffic first?—I am sorry I am not quite satisfied with the figures I have got, which were put into my hands by the accountant just before I left. If you wish I will give it you. I expect shortly to have returns and figures.

892. Can you give some certain information?—In July, 1875. Would it be necessary to go back so far?

893. *The Chairman.*] Yes; I will take the answer.—In July, 1875, we carried 45,290 passengers, and we then had 170 miles of railway open. In July, 1876, we carried 53,857 passengers, with a mileage of 255 miles. In July, 1877—and this is the part I am in doubt about—we carried 32,542. The reduction seems so excessive that really I can hardly believe it. We had then 380 miles of railway open. In the month of June, 1876—that is a winter month, and people travel less in the winter than they do in the summer—we carried 54,250 passengers, with a mileage of 245 miles. In June, 1877, we carried 65,572 passengers, with the same mileage as now, 380 miles.

894. Then there is a falling off of 33,000 in that month?—I cannot think it is so much; they must have made some blunder.

895. From the figures you have quoted there is a falling off of 33,000 in the month?—You must take that with a qualification. I can give you some certain information with regard to the booking from Christchurch, and that is the most important section we have. It is taken from the Booking Clerk's account. There is another thing that ought to be mentioned: In this July account of 1877, under the new arrangements, the month would be four weeks. The figures for a calendar month would make a difference of three days.

896. That is, three days' more passengers must be added to the 32,542?—Yes; the number of passengers booked from the 1st to the 28th July, 1876, with a mileage of 255 miles, was 12,614. In the same period of 1877, with a mileage of 380 miles, we booked 10,990 passengers. That you may rely upon.

897. Then you are of opinion that the effect of the new tariff has been that the public have made less use of the railways?—Well, from my own observation, I am bound to say that. I will tell you why. Saturday's traffic is very heavy, very heavy indeed, from the country stations, that is induced by the low fares, by the single fares for the double journey. We used to send twelve carriages well filled up by the North line; we brought them to town and took them back in the evening; and now from my own observation eight carriages have gone up only partially filled. No doubt it has fallen off very much, but it is quite possible that a great number of people may be inclined, in order to reduce these fares, to sacrifice their convenience for the time. I think it possible, however, that it may come round.

898. You think the whole falling off is attributable to the people's desire to punish themselves?—I have heard several observations from people about making the journey, the long distance from Christchurch, twice a month, while now they make one journey do. That seems to be the general idea for the long distance at any rate.

899. Now with regard to freight charges, classifications, and so forth, had it any effect upon the trade between Lyttelton and Timaru?—Yes; I may mention that I have been asked to report upon

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the working of the tariff, and in that report I have suggested that Lyttelton and Timaru would apply as an exception to the uniform rate, just as much as Port Chalmers and Dunedin. I may also mention that I was told positively that two steamers were on, or were about to be placed on, the route. Formerly, before the last provincial tariff came into operation, there was a regular steam trade between Timaru and Lyttelton, but the effect of the new provincial tariff was to drive them off altogether—they ceased to run.

900. Is this tariff in force now?—Not the last provincial tariff. Now this trade is being resumed by the steamers.

901. In consequence of these high rates?—Yes; we cannot compete with Timaru from Lyttelton.

902. How would beer be affected by it?—Many complaints are made by the Christchurch brewers that they are shut out from the Timaru trade altogether.

903. What would be the difference?—The old rate was 24s. 2d. per ton for beer; the new rate is 40s. They say it has completely stopped their trade. It was shown in the Agricultural and Pastoral Association's statement as 25s., but this is an error.

904. *Mr. Ormond.*] What are the relative differences now?—40s. is the correct rate as against 24s. 2d.

905. Do you not think the present classification is rather cumbersome?—No; I do not think it is cumbersome; I think it wants revision. I would not suggest reduction, but merely revision.

906. Has the present tariff any effect upon the carriage of different kinds of grass-seeds?—Yes.

907. Do you think it is fair that clover weighing 65 lbs. the bushel should be carried at the same rate as rye-grass weighing 20 lbs.?—No; in my report about the tariff I have suggested that grass seed should be classified according to weight, because several kinds of grass-seed, I understand, are the same weight as wheat or beans. They should come in Class E, the same as those articles.

908. You think the present classification is proper, and only wants revision in regard to certain articles?—Yes, I think so.

909. Who do you think would be the proper persons to make that revision?—*Mr. Conyers* made a suggestion that a few of the Managers should be got together to revise this. That would be the best way. Each one understanding his own local circumstances would be best able to suggest how to classify the goods.

910. In making these classifications, did you as a Commission take into consideration the cost of the railways in different parts of the country?—No.

911. Neither the cost nor the maintenance?—No.

912. Well, is it not a fact that the rates upon imported coal on the Lyttelton and Christchurch Railway have been reduced upon the old provincial rates, and the rates upon domestic coal—Canterbury coal—have been increased?—Well, I could not speak positively about that.

913. For instance, coal from Malvern Hills?

Mr. Ormond: The coal is uniform now.

Witness: Yes, you are right, *Mr. Ormond*, it is; but the old provincial arrangements favoured local coal.

914. *Mr. Stevens.*] May I ask to what extent it is so?—The haulage is practically the same; we charge 10d. a truck per mile—that is, 2d. a ton. The old provincial arrangement was 2d. a ton per mile, with terminal charges added to it. Now, the loading and unloading is done by the owners.

915. What is the net result now—I mean as compared with the former system. Can you speak positively as to the country?—It is just the difference of the terminal. It bore rather hardly in that case, as they loaded the trucks, so that the department had nothing to do with it. Now it is done away with by reason of the terminal charge having been abolished.

916. *The Chairman.*] I understand you are carrying the coals upon the Christchurch and Lyttelton line—which costs about three times as much per mile as what the country railways cost—at the same rate as you are carrying on the country railways?—Yes, that is the uniform rate.

917. By reason of that, will there not be a very heavy loss in running the Lyttelton and Christchurch line, than on the old provincial tariff?—There will, in coal and timber.

918. And therefore imported coal and timber have an advantage in railway carriage to Christchurch over the coal and timber of the province?—They are on equal terms, it is a uniform rate.

919. I want to ask you something with regard to timber?

Mr. Ormond: He can tell you what the loss is.

Witness: The loss upon the Port Lyttelton and Christchurch line?

Mr. Ormond: Yes.

Witness: Well I should say, in round figures, it makes a difference of 2s. a ton to the Christchurch merchant.

920. *The Chairman.*] Do you find coal and timber any cheaper since this reduction?—No.

921. No cheaper?—No.

922. Then in fact this reduction upon the Lyttelton and Christchurch line has simply resulted in a profit to the importer and not to the public?—Yes, I presume that would be the case.

923. With regard to carrying timber to a distance, do you not think some allowance should be made for timber, as with grain and so forth?—Yes, I think it ought to be done.

924. You are speaking generally, I presume, of timber, firewood, &c.?—Yes; I think in places like Canterbury, it would be very desirable to have a sliding scale.

925. What is the arrangement with regard to parcels?—Parcels weighing over 56 lbs. have to be carried by goods trains.

926. Do you think it is desirable to increase the 56 lbs. up to 112 lbs. for the parcel?—I have reason to believe *Mr. Ormond* has already sanctioned the increase of the weight from 56 lbs. up to 112 lbs. *Mr. Conyers* gave me to understand he had spoken to *Mr. Ormond* about it, and he led me to believe *Mr. Ormond* had approved of it.

927. You think that would be a great convenience to the public?—It would meet the objection. I think parcels over 112 lbs. ought not to be carried in passenger trains; it is an inconvenience.

928. I understand that Mr. Ormond has made a request to the different Managers, or those in authority, for a report on the working of the lines; have you made any report in compliance with that request?—I have.

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929. Very recently?—Yes, within the last four days.

930. I have a letter here from the Ellesmere Road Board with regard to the width of live fences close to the lines of railways, and they have passed a resolution recommending that an Act of Parliament should be passed for the purpose of cutting the live fences down to about five feet for a distance of ten chains on either side of the crossings. Do you think that would contribute to the safety of the lines of railways?—Yes, I think it would; but I may tell you that is outside my province. That is a matter for the Permanent-way Engineer. As a matter of opinion I think it would be better, not only for those using the crossings, but for the driver of the engine, to be able to see as far as possible.

931. Are you in a position to give us any information as to the Victorian lines of railway?—No.

932. Was not this schedule of prices based upon the Victorian prices?—It was only towards the close of the Commission that it was suggested that the uniform rates should be gone into. Personally I had no idea it was contemplated to go into that question at all. My impression was that the uniformity referred only to a uniform system of accounts and forms. It was suggested by some one that the Victorian system of classification had been a very beneficial one; that it had been in force for a long time, and there was reason to believe that it would be equally suitable for this, not for the rates, but simply for the classification of goods.

933. Then are these rates the same as on the Victorian lines?—Excuse me; I said the classification.

934. I am asking about the rates?—I can give no idea.

935. Can you give any information as to whether the Victorian lines earn their expenses, or anything about that?—I have heard recently the Victorian lines are not paying.

936. Not paying expenses?—Well, it was not put in that way, that they were not paying simply.

937. As to the weighing of grain, goods, and so forth at the railway stations, giving weigh-notes to parties, and making a charge, do you consider it desirable?—I object to it altogether.

938. Perhaps you would just give your professional reasons, because it is a matter that has been agitated a great deal?—For the grain season it is a serious matter, but I would not object to it three-fourths of the year. We want room in the sheds, and it would be a serious obstruction to weigh or assort the grain that came into the place. I should object to it very strongly, and have done so all along.

939. And giving these weigh-notes, you think, has also caused a great deal of dissatisfaction?—It has. In this way. At the up-country stations the machines might be out of order, and then the merchant, who pays the farmer or producer upon the railway weight-note, weighs again at destination and finds it to differ. A great deal of dissatisfaction would arise, and claims for compensation result. It was this that induced the Provincial Government, at my suggestion, to introduce a clause in the regulations with regard to weighing, stating that they would not be responsible for the weights. They would weigh and make a charge for it, but would not hold themselves responsible. There was a great deal of dissatisfaction about that.

940. You are aware that the Government are ordering 300 more new trucks for the country districts. Do you believe it will be sufficient to meet the requirements of next season's traffic?—If it is 300 in addition to replacing the broad-gauge trucks, I would say Yes.

941. That is if every broad-gauge truck was turned into the narrow?—Yes. I may just mention that I wrote to the Chairman of the Chamber of Commerce before I left, and asked him what was the prospect of the coming season, and his reply indicates an increase of 30 to 40 per cent. [Read the letter.] Perhaps it would be just as well if I were to explain what has been the state of things in Canterbury every season for years past, certainly before my time—three years ago. In 1875, that was the first season I was there, there were 129 miles opened, and 499 wagons in use. When I say in use, I may remark that there was always a proportion for ballasting purposes (outside of traffic), or under repairs. But there were 499 wagons, and that represented 3·86 wagons per mile. In 1876 we had 245 miles open, and 696 wagons, equal to 2·84. In 1877 we had 380 miles open, 890 wagons in use, representing 2·34. So that while in 1875 we had nearly 4 wagons to the mile, in 1877 we have less than 2½. That is one of the principal causes of the block in Canterbury.

942. The want of railway trucks?—Want of railway trucks, the mixed gauge, and want of storage. With regard to storage, I do not say it should be provided by the Government, but, to equalize the transit of the traffic, sufficient inducement should be held out to farmers and owners of grain to build sheds. At the present time we are helpless because we cannot get the grain into the sheds, and they have to put it on the ground.

943. You think 300 new trucks, with the present broad gauge converted, would be sufficient?—That is the very least.

944. And then how many would there be to the mile?—It would not be much more than 3·13. In New South Wales they had 3·68 in 1875, and 4·35 in 1877. I understand that, there, strong representations have been made that more are required. Of course it depends on the nature of their traffic. I do not understand whether it is similar to ours. In Victoria, in 1876, they had 3·43 trucks to the mile, and in South Australia, 4·16.

945. *Mr. Stevens.*] I understood you to say, in answer to the Chairman, that if 300 new trucks are put on next season with the present 278 broad-gauge, you thought that would be something like adequate provision?—Yes, I should say that would be the minimum. At the same time you will permit me to say that I believe that during three-fourths of the year we could work the traffic with a very slight increase.

946. Very slight increase on what?—On the present.

947. Upon the 278?—Yes, with a slight increase of the present stock, if we had no break of gauge, for three-fourths of the year we could work the traffic.

948. You estimate in your answer the conversion of these 278 of the broad-gauge trucks?—No, I do not, because I believe they cannot be converted.

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949. I think I shall clear the way by asking you how many trucks will be required, assuming that there will be no break in the gauge next season?—There will be a uniform break of gauge next season.
950. Well, how many trucks do you consider would be required?—600.
951. Do you know how many there would be then?—There would be 1,190 then.
952. I understand there is to be no break of gauge next grain season. How many trucks do you consider would be required to do the work when there is no break of gauge?—1,190. We have 890, and 300 more would be 1,190.
953. That would be enough, you think?—That I qualified before. That is the smallest number we can do with.
954. The broad gauge is to be replaced with the narrow gauge?—Yes.
955. Would the addition of 300 trucks to the present stock be sufficient?—Yes.
956. *The Chairman.*] If the broad gauge is done away with, you want 600 new trucks?—Yes.
957. *Mr. Stevens.*] As compared with other parts of the world, England for instance, how do your passenger rates stand?—Well, in England the passenger rates vary very much. They are much less than ours in most cases, I should say. I am not speaking by the book.
958. Can you give a general idea of what you consider would be the best passenger rates to adopt, with a view to keeping the traffic at a remunerative figure, and at the same time make it as reasonable as may be consistent with keeping the lines?—The present rate will be increased all round, I should say, to something like 15 to 20 per cent. I have not gone into the thing.
959. *Mr. Ormond.*] What is that, passenger rates or goods?—Passenger rates.
960. *Mr. Stevens.*] What would be the best rates to adopt?—The old rates that existed in Canterbury were satisfactory to the public. I am equally confident they were remunerative.
961. Now, just a word or two about the tariff. Did you express the opinion that a revision of the classification would remove the difficulties?—Yes, I did. I believe that.
962. But would classification remove the difficulties on live stock?—No.
963. Do you consider the present system of audit interferes with the proper settlement of claims—say, for instance, on goods?—No; it would not in any case interfere with goods.
964. Supposing you purchased for railway purposes a quantity of goods—say coal, for instance—in Christchurch, how long would it take to get a return of that from the merchant?—An account for freight?
965. No. Suppose you buy coal for use on the railway, or any other stores, how long would it take before the person supplying would receive his money?—Well, it can be done within a month.
966. Then, if you buy for cash, do you get some advantages, or do you get for cash at the same price on the system of monthly payment as you would get for cash?—I believe so, but that is entirely out of my department.
967. I understood you to say, in answer to a question by the Chairman, there is a saving of 2s. a ton in coal?—That is to the merchant.
968. Do I understand you to say that the consumer does not derive a benefit?—I do not think so. I can speak from my own knowledge that coal was the same price two months ago.
969. In the long run do you think that would be the case?—I do not know whether the merchants ever tried to increase prices when the rates have been raised in the matter of coal.
970. Well, in regard to these articles, do you think the reduction of the rates as a general principle operates as a benefit to the consumer?—I do not know; I cannot say. I can speak as to coal because it happens to come home to me.
971. Do you consider that there should be any allowance made for the depreciation of rolling-stock? I suppose that is in your department?—No, it would not be in my department; but it is the custom at Home.
972. Can you give me an idea from your experience what it should be per mile?—No, it has never come within my province.
973. As regards the persons employed on the railway, do you think there would be any advantage in making what I may call statutory provision of a fixed character in case of accident?—Yes, I think there ought to be some provision made for cases where a man is injured in the execution of his duty. It might be done by subsidizing the funds of a benefit society.
974. Do you think it would be better to have it done by subsidizing a benefit society, or by the Government independently making some fixed provision to meet these cases?—I think I should be in favour of subsidies to a fund, because it would induce the men to stick by a society of that kind.
975. As regards the pay of railway hands, is it uniform throughout the colony?—No, I think not. I think they pay a lower scale in the North Island than in the South.
976. *Mr. Bunny.*] It is being made uniform, is it not?—Yes.
977. *Mr. Stevens.*] As regards the ballasting train, I believe the men are dissatisfied? I heard they were?—It is quite out of my department altogether. Mine is entirely traffic.
978. The question of sites would be in your department?—Well, when an application is made for a site, it is generally sent to the traffic department to report upon as to whether it would be desirable for traffic purposes, and in that way it comes before me.
979. Can you give me your opinion as to the general question?—Yes, I have a strong opinion on that. I think every facility should be offered in up-country districts for sites on railway reserves for stores, with the view of equalizing the traffic and relieving Government sheds.
980. What do you think of the system as applying to suburban places?—I may even go so far as to say I should recommend it for Christchurch.
981. And the main suburbs of Christchurch?—Yes.
982. Any railway centre, in fact. You think it should be extended?—Yes, I do.
983. In regard to sidings in the immediate vicinity of railway stations?—I would recommend that.
984. You mean you would recommend that plan without reference to any particular railway?—Yes; for the simple reason that it would relieve the department from very much labour, because when men have a private siding they do the work themselves.

985. It would relieve the railway yards?—Yes, it would relieve the railway yards and the expenses of the railway, even if we had to give them this 9d. per ton.
The Committee adjourned until 11 o'clock next day.

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FRIDAY, 31ST AUGUST, 1877.

Mr. LAWSON examined.

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987. *Mr. Lumsden.*] If I understand you aright in your reference to the question about the traffic charges on the Lyttelton and Christchurch section of the line, it was that the merchant forwarding coals from Christchurch to Lyttelton would pay more than the merchant forwarding from Lyttelton to Christchurch would; that is, would pay more forwarding from the mine to Christchurch. Would the merchant in Christchurch forward coal to Lyttelton at less cost per truck than the merchant in Lyttelton from the ship's side?—The same rates.

988. I thought you said it was 2s. a ton in favour of the Christchurch merchant?—As a matter of fact we do not send coal from Lyttelton to Christchurch.

989. And from Christchurch inland?—We charge the same.

990. Well, it was stated as a difference of 2s. ?—2s. a ton between the old rate and the new one.

991. But the present rate is founded on the other?—It is.

992. Well, I understood that the present rate was not founded on the other. In reference to the plan of keeping monthly accounts, you stated that in England it was generally adopted, and was found to be more convenient. Is there not a very great difference between England and New Zealand in this way: the accounts at any main station are necessarily more complex. That is, to suppose a passenger in London wants to go to Inverness, he can get a ticket right through. That necessitates the recognition of several claims and proprietary rights of companies whose lines the passenger would pass over, and that must involve a great deal more clerical labour. Now, in New Zealand, where the lines are all in the hands of one proprietor, and there is no necessity for dealing with the separate claims of different railway companies whose lines the passengers would pass over from North to South, therefore the accounts could be easier kept, and involve less clerical labour. There would be a difference between New Zealand and England in that respect?—The same principle obtained when the weekly system was in force. Practically, it makes no difference; they adopt the monthly system as a more economical one, and throw the weekly system over as being unnecessary.

993. Is there not an amount of extra labour saved by the fact of the line being in the hands of one company?—Well, the amount of difference of labour between the monthly and weekly system is considerable, and the weekly system is, as I said before, unnecessary.

994. That is not the point I wished to bring out. Suppose the lines from London to Inverness in the hands of one company, would it not be much easier than where a number of station clerks have to keep a record of several lines in the company's interest over which the traffic must pass?—It would increase the labour in the clearing-house.

995. Well, will you answer the question aye or no? Is there not more labour in connection with the traffic on the English lines, proportionately, than the New Zealand lines?—Yes, in that way; but I qualified that by saying it affects the clearing-house only, not the employes of the companies.

996. How is the increase of trucks to affect the block on the line?—We could, under the newly-altered arrangements, provide stores and increased storage accommodation at Lyttelton, and make it compulsory to discharge if not shipped direct.

997. That increases storage?—No; hitherto it has not.

998. *Mr. Ormond.*] You said there were four extra hands employed at Lyttelton and four at Christchurch. Do I understand that they were required by the weekly-account system?—Yes; so I am advised by those who have charge.

999. As to the work in the head office during the past six weeks, since the weekly system came into effect has there been any unusual work in the office?—Yes; there would be the closing of monthly accounts to the end of June, and before these could be closed the weekly accounts came upon us.

1000. When were those accounts finally made up?—I should say from the 20th to the 25th July.

1001. Was there, or was there not, any unusual pressure of work with regard to that?—Well, there was, because we had statistical information to furnish for Wellington, being session-time.

1002. Was there not special work in striking a correct balance-sheet?—Yes, there was.

1003. Can you say whether this department was not specially engaged upon accounts for the six months previously, during that month of July?—Yes; but understand me, please, that a number of extra hands were put on in addition to the permanent staff, in order to keep up the weekly system.

1004. During the past month?—Yes.

1005. In addition to four at Lyttelton, four at Christchurch?—Yes; but perhaps it would apply more particularly to the head office, to the Accountant's office.

1006. Would that be at Christchurch or Lyttelton?—At Christchurch.

1007. Do you or do you not think that during the month of July the office was so much kept at the previous accounts as not to be able fairly to try this new system?—Well, there was great pressure on account of the clearing up of the old monthly accounts.

1008. Was it not so that the accountants were unable for a long time to render anything like correct accounts?—Yes, it was so.

1009. And that went on to the 25th July?—Yes.

1010. *The Chairman.*] That was because you had the weekly system?—Yes. The Accountant tells me it will require two extra men permanently in his office, quite independent of the extra labour provided.

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1011. *Mr. Ormond.*] Where will he require those two men?—In the Accountant's office.
1012. Where?—In Christchurch.
1013. What are the extra men required for?—They are wanted for the weekly returns. The work is done four times over.
1014. You say he will require two men; I suppose you mean for preparing the summary?—Yes, for checking or audit. The stations prepare the summaries.
1015. But do you not prepare a general summary at the head office?—Yes, but that is not a large return; that is not two hours' work.
1016. There are six other men to be accounted for?—Two in Christchurch, and four in Lyttelton, in the preparation of returns rendered necessary under the new system.
1017. Let us have it clearly. With regard to Christchurch you said four, what will be their work?—There are four in the goods department, and four in the Accountant's.
1018. You say there will be two extra wanted in each department?—In the Accountant's or Head Office.
1019. And four where?—Four at Christchurch, in the goods department.
1020. And what will be their duty?—Preparing weekly returns.
1021. And in Lyttelton?—Four on account of the weekly system, and two more during the busy season. Of course we would have to provide for the busy season.
1022. And that is your own opinion of what is wanted?—Well, I cannot say.
1023. Whose opinion is it, then?—Those who are in charge of these departments.
1024. The Stationmaster at Lyttelton?—He says he will require four extra hands.
1025. At Christchurch?—Four.
1026. Is that your opinion, or whose opinion?—I cannot say; I have not gone into it. They are their representatives.
1027. Yes, but whose?—Mr. Tippetts, the Goods Manager at Christchurch (I have his written statement here); Mr. Bradley at Lyttelton; and Mr. Fife, the Accountant. I will read you what Mr. Fife, the Accountant, says: "The new weekly system presses severely on this office, and since it came into force it has been one series of late hours for all concerned."
1028. When was that written?—That was written on the 27th of this month.
1029. Have they got actually clear of the last year's accounts?—They have.
1030. In talking of the busy season in the up-country districts, you said that in the busy season the Stationmaster would have to be engaged on accounts when he ought to be at his other work?—Yes.
1031. Just explain?—Well, I may explain in this way. They are a class of men who do not know much about accounts, and it is a great labour for them to prepare balance-sheets and summaries. For three-fourths of the year they could do it without inconvenience; but during the busy season they would be engaged on that work when they should be over at the grain shed tallying, &c. That is the only difficulty I see with regard to the up-country stations.
1032. It applies to the grain season?—Yes.
1033. Now, with regard to the general management, you were asked a question on this subject, and, as I understood in your evidence, it was unnecessary for the Manager to be a civil engineer. You were talking generally of railways?—Yes, I said that.
1034. Now, I would ask you whether Mr. Conyers being a civil engineer is not of great advantage to the railway?—Undoubtedly; but he has the necessary additional qualifications.
1035. Would it be necessary to have an officer who was also qualified as a civil engineer?—I do not think so. The Locomotive Superintendent and Permanent-way Engineer, it appears to me, is all that is required.
1036. Would there have to be any General Manager in charge of locomotives and permanent way if he were not an engineer?—In a large mileage it would be necessary to have an officer for each of those departments in my opinion.
1037. But if he were only Traffic Manager, should we require another officer to manage the permanent way and the locomotives?—Yes, we should.
1038. You were asked questions in reference to the rules. Ought such rules to be provided for the railways or not?—Yes, undoubtedly they should be.
1039. What was the practice of the Canterbury railways until lately? Were the men furnished with rules and regulations?—They were some years ago, but a great many of them were without those regulations for the last eighteen months. It was expected that new rules applicable to all the lines would be required when the General Government took the railways over, and the printing of new ones was deferred.
1040. In the case of the accidents that have lately happened on the Canterbury railways, have any of those arisen from the fact of the men not being furnished with proper regulations and rules?—Certainly not.
1041. With regard to the appointment of the ticket clerks that were talked of the other day—the clerks that were appointed on instructions—at the time of the appointment of these men were there any men travelling with the trains besides the guards?—Not regularly.
1042. Any men travelling to the stations to perform the business of porters, unloading?—The Lyttelton-Christchurch line, and the North and South line, as far as Amberley and Ashburton, required additional assistance on Saturdays.
1043. But I do not mean that; I mean men travelling for the purpose of unloading and loading trains?—That would apply to the White Cliffs and Eyreton branches, but it did not apply to the line generally.
1044. You did not have men travelling on other lines?—No; only the extra guards.
1045. During the exceptional times?—Yes.
1046. What is your opinion about the advisability of having a second man to assist?—I am strongly of opinion that it is an unnecessary expense on the Canterbury lines.

1047. Well, we come to the passenger tariff. As I understood you, you said that in July, 1875, the number of passengers was 45,290?—Yes. *Mr. Lawson.*
1048. And in 1876 there were 53,857?—Yes. *31st Aug., 1877.*
1049. In July, 1877, 32,542?—Yes, that is right. That is the statement I made; but with regard to the last item I qualified it.
1050. Have you any reason now to believe that those figures are incorrect?—I have.
1051. Will you explain why they are not correct?—I believe the number of return tickets have not, as hitherto, been doubled. The return tickets have been counted as one, instead of two.
1052. What were they counted in 1876?—The return tickets were counted as two.
1053. What does that make? How many would it help to put on to that account?—I have reason to believe it would amount to about 11,000. In other words, it would make up the number to 44,000, instead of 32,000.
1054. *The Chairman.*] It would make a difference of 11,000?—I am not in a position to speak positively; I cannot now give the information.
1055. *Mr. Ormond.*] How did you arrive at this 11,000?—By getting the correct number of return tickets and doubling—adding them to the calculated number of single tickets.
1056. And is it your opinion that this 11,000 is a correct number or not?—I think that would be near it: that would make the number up for 1877 to 44,000 in round figures.
1057. Well, in 1876 tickets were issued at single fares were they not?—Yes.
1058. On Saturdays I mean?—Yes.
1059. How were they counted?—As double.
1060. How are they counted in this?—It is evident from the memorandum I have received they have treated them as single tickets.
1061. What is the proportion of travelling on Saturdays and Sundays as compared with other days. Is it larger or smaller?—Very much larger.
1062. Then there would be something more to add for the percentage of tickets issued on Saturdays and Sundays in July, 1877, when you treated them as singles instead of doubles?—Yes, that is so.
1063. What number do you estimate that would be? Can you estimate that?—No, I cannot estimate that.
1064. *The Chairman.*] Is that in the 11,000?—I am not prepared to say even that.
1065. Were those tickets which were issued on Saturdays and Sundays treated as one single ticket?—Yes.
1066. But during the month of July, 1877, were they treated as double or single tickets?—As single.
1067. And the travelling on Saturdays and Sundays is larger proportionately than on other days of the week?—That is so as to Saturdays.
1068. Is it double or three times, or what is it? You can say that?—I should be inclined to think it is three times.
1069. Would it make up the difference between the 44,000 and the 54,000 you gave as the double in 1876?—I do not think so.
1070. It would not be 11,000?—Well, I should hardly think so, but I cannot speak positively. It would be a very easy matter to get that information. We should have to get a return from each station of each Saturday's booking.
1071. Who supplied those figures—32,000—to you? Where did they come from?—The Accountant in Christchurch.
1072. How do you account for this return as to 1876 and 1877?—I can only account for it in this way: From the statement I received this morning, it appears the returns are in Wellington.
1073. What does he mean by that?—I infer that he cannot do more than give the totals, as the detailed returns are in Wellington. He says the information is only to be got here, and that his record does not distinguish between single and double journey tickets. Up to the 30th June last it was the practice to double the return tickets.
1074. Did you get double money for them?—No; we treated them as two passengers.
1075. Why?—Because they make two journeys. One person might travel a dozen times in a day, and if he took single tickets he would count as so many passengers in our returns.
1076. These things are to show you how your receipts were arrived at.—Yes. Practically they are two passengers. We carry them twice—there and back again.
1077. And why not the same in 1877?—Because the usual provision for dealing with them in this way is not made in the new forms, and that is why they have been overlooked. That is my impression.
1078. You got the same printed returns in 1877 as in 1876. Can you tell us anything about the receipts for July, 1876, and July, 1877?—In July, 1876, £4,838; mileage, 255. In July, 1877, £6,643; mileage, 380.
1079. This is for passengers, is it?—Passengers.
1080. What were the general receipts on the line at the same time—the total traffic?—The gross receipts?
1081. For 1876 and 1877?—£13,857 for four weeks, July, 1876; £16,354 for four weeks in July, 1877; Lyttelton wharfage in both cases excluded.
1082. What are you taking it from?—From the statement of revenue and expenditure.
1083. *The Chairman.*] Any wharfage in that?—No wharfage in that.
1084. Do you make out that the Canterbury railways earned more in 1877 than in 1876, allowing for wharfage?—Yes; but you must recollect we have 125 miles more railway.
1085. How much did you say the increase was?—£2,497.
1086. Before the line was completed through, if a person were travelling from Christchurch, going south, his journey would be broken. In 1876 his journey would be broken. He would go so far as the line was open, and then, crossing the interval, would take the line again?—Yes; that is true.

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1087. How would he be counted?—He would be one passenger. We did not book through including the coach fare. He would take his fare to the place to which the railway was open, and then, after the coach journey, take his fare again from the connecting point. In this way he would count as two passengers.

1088. In 1877 would there be anything of that kind or not?—No.

1089. Would that make any difference to the capitation on the passenger traffic?—Between Timaru and Waitaki few people travelled in those days, and very few between Makikihi and Waimate. Very few people travelled between the two points by coach. One coach took them all once a day. I do not think it would make an appreciable difference in the number of passengers by railway.

1090. You cannot say what passenger traffic there was upon that through line?—No; but I should say it would be a very small percentage. I do not think it would amount to twenty passengers a day.

1091. Was that the return on that line?—That is passengers both way.

1092. Are these records kept?—Yes; no doubt at that time by the coach proprietors.

1093. We can get them I suppose?—Yes, you could. But still it would hardly be a correct return. There might be settlers in the Waitaki District who would wish to go to Oamaru, but they could not be separated from the other. It would be difficult to get returns. I may suggest that the only way would be to get them from the coach proprietor. He might be able to state how many he carried between certain points.

1094. Would they be all coach people? Would there not be settlers?—There might be private conveyances.

1095. Will you be able to furnish now to the Committee in reference to the Saturday traffic that we were talking about just now—have you got anything like a correct return of the number of passengers travelling on Saturdays and Sundays in 1877 who would be counted as singles now, but as doubles in 1876?—It would take a few days. Would the month of June be a sufficient approximate, because that I could get by wire?

Mr. Ormond: Yes, it would.

Witness: I will get them in about three or four days.

1096. *The Chairman.*] Can you say whether under the new tariff the number of school and season tickets has been greater than in 1876?—I cannot say. I have not noticed. That is information I can get at the Government Buildings. The inducements are much greater in 1877.

1097. In the calculations for 1877 was it for the four weeks or for the calendar month?—For the four weeks. I think I explained that.

1098. In reference to the increased mileage, has the addition of that mileage increased or decreased the mileage returns on the Canterbury railways—that is to say, now that the line is open to Waitaki and the additional mileage is put on?—It has decreased. It has invariably decreased on the extension of country lines.

1099. Which is the most lucrative part of the Christchurch lines?—Lyttelton to Ashburton.

1100. Is the proportionate rate of increase for that section very much larger than the other or what?—Much larger.

1101. Can you give any information as to the proportionate mileage receipts for July, 1876, and 1877?—Four weeks ending July 28, 1876, £54 6s. 10d. per mile; four weeks ending July, 1877, £43 0s. 9d.

1102. Well, now about the goods tariff. You told the Committee that there was a falling off in the trade between Lyttelton and Timaru on account of the running of the steamers. Can you give us any estimate of the extent, and what particular class of goods it is in?—There has been one special complaint made by the brewers in reference to the beer. I believe it is a fact that two steamers have been put on between Lyttelton and Timaru.

1103. What steamer?—The "Tui" is one. The last tariff of the Provincial Government drove off the steamers.

1104. Well, would that apply to the traffic to Timaru, and within what distance of Timaru would it apply to?—I think Temuka.

1105. How far away from Timaru would it apply to, and can you give us information as to how the traffic would be affected?—I think it would affect it to Temuka.

1106. How far is that?—Eleven miles. I do not think it would affect Waimate. Perhaps Otaio to the South, Mount Richardson, and the whole of the Albury branch line—Well, I do not think it would affect Pleasant Point, but it may possibly do so. That is a distance of twenty-six miles. I think it would hardly affect that, but it is very difficult to say.

1107. *Mr. Ormond.*] Can you give something like the percentage of increase of goods tariff on the Canterbury railways. Have you ever worked that out?—No, I have not. It varies very much, because on some the charge is very much lower, and on others much higher—goods that were formerly charged weight or measurement, at the option of the department.

1108. Can you say whether it is 10 or 15 per cent.?—Well, I do not think the increase is so much on the average. I do not think it would be more than 10 per cent. In some instances it bears very heavily. I think I instanced firewood the other day. In some cases the charge would be double that of grain per ton.

1109. Under the new tariff?—Yes.

1110. That would not affect this particular case we are talking about, would it?—Well, it affects any one sending it from Oxford. I do not think it would affect the Timaru District.

1111. *The Chairman.*] It would affect Waimate?—Yes, it would affect it, just the same as Oxford.

1112. *Mr. Ormond.*] If the increase were 15 per cent., how would it affect the districts outside Timaru?—With regard to Timaru, I was credibly informed by a merchant that he could forward sugar from Christchurch to Lyttelton, and thence by steamer to Timaru, and again by rail to Temuka, for less money than he could send by rail from Christchurch to the latter place.

1113. And that was sugar?—Yes.

1114. And what reduction do you think would secure that trade?—I may say that 24s. 2d. for high-class goods got the trade entirely from Christchurch to Timaru. We competed with the steamers at that rate, and we got all the wool, grain, and general merchandise. We got all the traffic.

1115. Do you think we should gain more by the reduction between Lyttelton and Timaru by the old rate? Do you think the receipts would be greater or less?—We should secure the whole traffic. It would be a remunerative rate too, because it is a long distance.

1116. In such a case the rate would be considerably lower than the Provincial rate, now it is uniform?—We had weight or measurement.

1117. We should lose the difference between Timaru and Christchurch?—We have now adopted a uniform rate, and if we take the uniform rate and allow for the loss between Lyttelton and Christchurch, and reduce the charges to what they were before the uniform rates came into force—

1118. Will the rates then be less or more between Lyttelton and Timaru?—Upon the old Provincial tariff we charged a local rate between Lyttelton and Christchurch, and very considerably lower for through goods.

1119. Do you mean to say you had a special rate from Christchurch to Lyttelton, and a different rate for goods going inland?—Yes, considerably lower.

1120. What was the difference?—It was about one-third.

1121. I do not think you understand my question. Goods going south of Christchurch, did they pay the one rate from Lyttelton to Christchurch, and then a different rate to where they were being sent?—Yes.

1122. And have to pay the rate that was in force between Lyttelton and Christchurch?—No, they paid a lower rate.

1123. But still it was higher?—The A rate from Lyttelton to Christchurch was 6s. a ton, and if the goods were to be forwarded from Christchurch to Timaru it was 24s. 2d. We did not add 6s., we added 3s. 6d.

1124. And was that so in the case of goods going in as well as goods coming out?—The same.

1125. Was that the terminal charge?—No; that was considered to be the haulage charge.

1126. Have you, in your report upon the present tariff, pointed out the articles requiring modification of charges between Lyttelton and Timaru?—Yes.

1127. You spoke the other day about classification. Did you understand how the classification was arrived at in the Commission?—Yes, it was the Victorian system of classification that was adopted; it was considered it would be a suitable one for the colony, and it was adopted; it was understood that it had been in force, and had been found to work satisfactorily for several years.

1128. Was that done by the special sub-committee?—I think they left it in the hands of Mr. Conyers and Mr. Passmore and myself. I did not know anything about the system on the Victorian railways, but was given to understand that it had worked well there.

1129. But, in your opinion, it wants revision?—Yes.

1130. Have you recommended that in your report?—I have.

1131. Is it usual on railways to have this classification?—Yes.

1132. Do you think it is desirable?—It saves a great deal of reference to headquarters. It saves a great deal of question as to what classes certain goods should be charged; it is a sort of dictionary for the Stationmaster.

1133. You were asked a question about the coal trade, and so far as I followed your evidence it amounted to this: the rate on the imported coal had been lowered?—Yes.

1134. Then what about the rates on the Canterbury coal, have they been increased?—No. The tariff on the Canterbury coal was reduced a couple of years ago to 2d. a ton a mile, and the terminal charges added. The only difference it has made to the Canterbury coal proprietors is the allowance for terminals. They load and unload themselves.

1135. Do they get an advantage or disadvantage?—It would be considerably to their advantage. They have the terminal charges taken off. They get an advantage equal to 1s. a ton at each end.

1136. The charge is the same, but they get an advantage in the terminal allowance?—Yes, that is so; they do the work themselves.

1137. With regard to timber; you spoke just now of it bearing disadvantageously?—That applies to firewood—that class of timber only. I do not think there is any difficulty about sawn timber. That is quite satisfactory.

1138. The tariff on sawn timber is lower than it was?—Yes.

1139. What general recommendations did you make with regard to the firewood business in order to put it on a satisfactory basis. I think you have already mentioned that the carrying capacity of the wagons should be increased, and that would set the matter right. What is the authorized weight of the wagons?—That is 5 tons. It might be made 4 cords, which would equal 5 tons. It depends upon the quality of the timber.

1140. Do you think it can be done by the arrangement of the trucks?—Yes.

1141. What about the reduction on the long distance?—I should strongly recommend that in a place like Canterbury.

1142. At about what distance would you begin to reduce?—I think I would adopt the same plan as upon Classes A, B, C, and D.

1143. Now about the parcel rates?—That is a matter I think strongly about.

1144. Had you a parcels rate in Canterbury before?—Always.

1145. What were the rates there before they were reduced to the present?—Much about the same as now. There is no complaint as to charge. The only difficulty is weight. You have now sanctioned a maximum weight of 112 lbs., and that will set the matter right.

1146. You think the weight of 112 lbs. can be adopted without inconvenience to the passenger trains?—Yes.

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1147. You do not remember, do you, the relative parcel rates under the old regulations to the present ones?—No.

1148. You think they were about the same?—I think them much about the same. There is no complaint as to charges.

1149. In the classification there is one item that I want information about in respect to your experience. It is agricultural implements. What induced the Commission to put them into their present class. I think they are in Class A. Well, we adopted the Victorian classification.

1150. But what induced you to put them into that class?—There is a great deal of labour in handling these things.

1151. That would not apply to all classes of agricultural implements?—To bulky and heavy pieces of machinery. That was the reason they were put in Class C.

1152. That would apply in the case of threshing machines and articles of that sort?—Yes.

1153. How do you manage at the up-country stations?—We have to send a travelling crane or shear-legs to get them off, and we charge additionally. Under the old arrangement it was 1s. 6d. a mile.

1154. What about the risk?—I think they should be at the owners' risk always.

1155. What are they now?—It is at the risk of the owners.

1156. Do you think we could reasonably alter the classification of these implements?—I think so.

1157. What is the cost to the railway now of discharging and taking in those things?—We used to charge the actual cost. We put a travelling crane on as a rule.

1158. And now you charge for that also?—No; we put on a 6d. rate, and that covers it all.

1159. If implements are put into another classification, ought we to make a profit?—I think the fairest way is to charge the actual cost. At some places they have the necessary appliances.

1160. Could we get at this by classifying these extreme articles in any particular way, putting the ordinary implements that can be moved easily in a much lower class. Would that meet it?—I should make this applicable to machinery over 2 tons in weight.

1161. How about the weighing? Would the public be inconvenienced if the weighing were stopped for all but our own purposes?—I think the farmers and producers would suffer, as they have no means of weighing.

1162. Would the inconvenience be very considerable or not?—I think it would be very considerable, but so far as the railway is concerned it is very objectionable.

1163. *Mr. Stevens.*] You mean having to weigh?—Yes, and being responsible for the weights given.

1164. *Mr. Ormond.*] The persons who would suffer would be the farmers?—Yes, the merchant would be always able to weigh.

1165. Your practice in weighing is to count by the bag?—Yes.

1166. I think you would only weigh in cases where you were doing so for the protection of the railway?—Yes; but under the new arrangement that is not necessary. If the sack contains over 4 bushels we are entitled to charge for the fractional part of a bushel. But under the old arrangement, when the bags exceeded 4 bushels we charged by actual weight.

1167. How did that arrangement work?—I prefer that.

1168. You prefer the old system?—Yes.

1169. You think it presses hardly upon the consumer?—I think so. I think the fairest way is to take it by weight when it exceeds 4 bushels.

1170. You do not think the railway requires that kind of protection as provided by the new tariff?—I may mention that the men handling the bags know at once when the contents exceed 4 bushels.

1171. What about the rolling-stock? In your evidence the other day you said that the 300 wagons ordered ought to be supplemented by an equal number to those dispensed with on the broad gauge?—Yes, I did.

1172. Did you remark also that the two gauges made it difficult to work the trucks?—I did.

1173. To what extent were these 278 broad-gauge wagons used; were they partially used on the railway? How many would you count then as effective? Suppose you had the narrow gauge during this last year, to what extent would you have dispensed with them?—Well, it is rather difficult to answer. It would make a sensible difference. I am confident I should be quite safe in saying one-third.

1174. You had blocks on the railway in Canterbury this last year had you not?—Yes.

1175. Were not the lines clear in the middle of the block with the stock you then had?—Yes, partially.

1176. Do you remember when Mr. Conyers visited Christchurch in the middle of the grain season?—I do.

1177. At the time he went over the lines was there a block in them?—There was.

1178. Was it clear before he left?—No more than it would be if he had never visited the place.

1179. But was that the fact that it was cleared?—I have no doubt that it would be, that in the three weeks we should have a partial clearance.

1180. Was the line clear or not?—Never during the whole of the season.

1181. The accumulations of grain were never clear during the whole season?—Never. We might clear a district, say the Southbridge branch, by running special trains and thoroughly clearing the stations, and then take another district.

1182. Are you aware whether Mr. Conyers reported that the lines were actually cleared before he left Christchurch?—I am not.

1183. You spoke of the cause of blocking. You gave as the cause, if I understood you rightly, the want of trucks for one thing?—Yes.

1184. And the break of gauge another?—Yes.

1185. Was there any other cause?—The want of country storage accommodation.

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1186. Was it caused in any degree by the people to whom the grain was sent in Lyttelton not taking delivery within the time prescribed by the regulations?—Partially so. In this way I may say I have seen seventy wagons standing three-fourths of the day at least in Christchurch waiting the disposal of the preceding train. At that time the wagons were simply warehouses.

1187. Was that so to any large extent?—Not so much this season as last and the previous seasons.

1188. Was that through the regulations, or what?—I do not know; I cannot speak as to the cause.

1189. Did you, or did you not, take that into account as a large element in dealing with grain—the storage of trucks?—Yes.

1190. Do you think the new regulation, which obliges delivery to be taken within four hours, will remedy that?—The four hours regulation applies to the outside traffic; I think we have five hours for shed goods; but then that applied always.

1191. Would that affect it sensibly, or not?—I think if we had sufficient storage in Lyttelton, and the power to discharge wagons immediately on arrival into sheds, when the ships are not ready to receive it, it would facilitate business very much.

1192. Do you think the storage rates now charged will oblige the grain merchants to take speedy delivery?—I find it a difficult matter to enforce it; we have a number of unsettled storage claims. Those who have incurred these say they cannot pay. The farmer brings produce to the country station, and does not get it away until the ship has cleared off to sea, by which he was calculating on sending it. He is then called upon to pay storage, waiting for another ship.

1193. Suppose your regulations enabled you to discharge within a certain number of hours, say four, would that meet the difficulty?—The four hours system would be a little help, but not satisfactory. We must have power to throw out the contents of the wagons (coals, timber, and the like) at a charge to cover the actual cost. I have made a recommendation.

1194. Do you think if facilities were offered for farmers or grain buyers to erect private stores and sidings it would meet the difficulty?—I am very hopeful that it would have that effect.

1195. Do you think they are liberal now?—I think they are very fair. They are very liberal.

1196. Have there been many applications for sidings of that kind?—Yes, they are coming in.

1197. What about the facilities for sidings in the country? Do you think the present facilities are liberal enough in that respect?—Yes, I think so.

1198. What about the present difficulties?—I have made a recommendation in reference to what I think would be additional inducements to people to have these private stores. In all cases where terminal charges are made, a remission of 9d. be allowed. The only condition I would attach is that when the goods are put into the trucks, the Railway Department should not be responsible for weight or quantity declared. I think that 9d. per ton a very fair thing to cover that risk. It would relieve the railways very much.

1199. How would that affect your staff?—It would reduce the staff.

1200. Proportionately?—Yes.

1201. How is it paid; by the hour or day?—We have a number of men at so much a day. We employ casual labour when there is a pressure of work.

1202. But the establishment of that system giving people these sidings. If the traffic was uncertain would you still have to keep up a high staff?—We should keep a minimum staff as now, and when the traffic is heavy put on extra labour at 1s. an hour.

1203. About the season tickets. How do they compare with the Canterbury railways under the old system?—They are much more favourable.

1204. And they have given free tickets in Canterbury for schools?—No; that applied to the national or public schools. These are abolished.

1205. The rates are low for school tickets?—Yes.

1206. What are they?—10s. per quarter.

1207. Is the luggage allowance to passengers sufficiently favourable to them? What do they get?—They were allowed 56 lbs. Now they are allowed 112 lbs.

1208. Does that affect the business on the railway?—No, I do not think so. I think it is a concession that ought fairly to be made.

1209. Would commercial travellers' luggage go under that 112 lbs.?—Yes; but there is a regulation charge for any excess.

1210. Does it meet the case of the small settler who brings in dairy produce?—It applies to personal luggage only, but it is rather difficult to define personal luggage.

1211. *The Chairman.*] You do not treat butter and eggs as personal luggage?—Certainly not.

1212. *Mr. Ormond.*] As a rule do they charge for produce of that kind?—For instance, if the butter were in a small basket and could be placed under the seat in the carriage, the Stationmaster would not charge, but if it were of a bulky character he would. Some three years ago, before the Canterbury rule was brought into operation, people from the country would come in with butter and all kinds of produce, and consider it personal luggage.

1213. *Mr. Stevens.*] Would you be kind enough to explain the process in the event of there being any loss on the railway on the consignment. Suppose it is reported to you by the consignee or consignor that there has been damage, what course is adopted?—Inspection is the first step, and if it is shown to be the fault of the Railway Department we pay the claim.

1214. It has been reported to me that a particular officer has been sent to make private arrangements in a certain case of alleged loss?—As a general rule such matters are dealt with under the regulations. We should inflict a fine or penalty on the officer in fault.

1215. Then, if any one said the officer who was in fault had been sent to effect a private settlement of the case, you would say it was an incorrect statement?—I believe a case of that sort occurred

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recently in reference to some building material sent to Timaru. That is within the last month. But that is not the rule, and if such a case came under my notice I should not sanction it.
1216. But it is possible that such a case may have taken place?—Quite possible.
The Committee then adjourned.

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SATURDAY, 1ST SEPTEMBER, 1877.

Mr. LAWSON examined.

1217. *Hon. Mr. Richardson.*] Mr. Lawson, the question I was going to ask you yesterday was this: I see that a comparison has been made between the traffic in 1877 and 1876 for the months of July respectively. The change in the tariff came into operation on the 1st of July, did it not?—It did.

1218. During the month of June it was understood and advertised in the papers that the issue of return tickets at single fares on Saturday and Sunday would be done away with?—Not officially. It appeared as a local to that effect.

1219. It was generally understood so in Canterbury?—It was in the district. It was not advertised.

1220. It was gazetted?—I am not aware of it.

1221. In the tariff as gazetted was there any provision for issuing tickets at return fares on Saturday and Sunday?—No provision.

1222. Are you aware what was the effect of that upon the Saturdays during the month of June?—I believe there was a general rush; the trains were better filled.

1223. The traffic was exceptionally heavy on the last Saturday in June?—On the last two in June.

1224. What was the nature of the traffic on the first Saturdays in July—anything like the ordinary average?—From my own observation it was very light.

1225. Was it at all up to the average?—No.

1226. Was there any such disturbing influence in the month of July, 1876?—No.

1227. Do you consider that, for purposes of comparison, it would be fair to take the passenger traffic in the months of July, 1876 and 1877?—No, it would not.

1228. I was not present when you gave your evidence on the particular subject of weighing. I heard what you said yesterday. I think you said yesterday that you thought it would be a very good thing to do away with the weighing altogether?—I did.

1229. Did that remark apply to grain in particular, or to all goods and merchandise?—To weighing at up-country station sheds.

1230. That remark did not apply to the weighing of coal at Lyttelton?—No; by machine.

1231. You consider the Government should continue to weigh the coal?—Yes, at the Port and Christchurch.

1232. A great deal has been said about the dead-lock and want of trucks during last season. If the consignees of all that grain had been in a position to take delivery immediately upon arrival, would you not then have had sufficient trucks by running as many special trains as time permitted, to keep the line clear?—I think not in the last grain season. Previous to the last grain season we had. There was a large increase and consequent confusion.

1233. Would it not have remedied that block in a great measure if the consignees had been able to take away their grain immediately on your bringing it to its destination at Christchurch or Lyttelton?—If the Railway Department had power to shift it from the trucks immediately on arrival it would have been a very great help; but, as a general rule, the consignees would take the full time allowed.

1234. If they had been prepared, and did take delivery immediately on arrival at destination, would it not have materially assisted there being no block?—It would have materially assisted the railway.

1235. Have you along that line sufficient passing places to enable you to run as many special trains as you desire?—There is one more I would suggest—namely, between Dunsandel and Rakaia, a distance of eleven miles. That would be a help to us. There is a large traffic going along there.

1236. With the exception of one in that district, you have passes sufficiently close to enable you to run as many trains as any amount of traffic would require?—Yes.

1237. On the subject of special trains, would you state to the Committee what you think would be, from your knowledge in these matters—which, I believe, is very extensive—the manner in which you consider it would be best to deal with that subject, and what rates should be imposed? What would be fair rates for special trains? I mean private special trains?—I think on a single line of rails it is objectionable to have those urgent special trains at any time. I do not think the tariff should be so regulated as to encourage the use of them, but they should not be prohibitory. My own idea is that there should be a minimum of about £1 per mile for the first five miles, and 10s. a mile after, and this decreased as the distance increased. For long distances it should be subject to still further reductions.

1238. Where would you suggest that the further reduction commenced?—After fifty miles. In fact, I would make it 5s. a mile after that, and if the train was wanted for the return journey, which is not often the case for long or even short distances, I should make a charge of about 25 per cent. additional for the return journey. I will give my reasons for suggesting that. A person may want a special train in the morning for twenty miles, which would be £12 10s., and that train might be kept the whole day; it might be kept for an hour, four hours, or the whole day. Then we should be simply giving a train the whole day for twenty miles for £12 10s.

1239. Would you propose, then, to have any fixed regulation for the charge you would make in

this case, or would you have it left to the discretion of the Manager, and, as the particular case in point turned up, that he should have power to fix the rate?—Yes, it would be very desirable. There are many cases in which we could run a special train at a very nominal cost. We might have a load for the train, and it would not inconvenience the party having a special to have the goods taken on with it. We have done that frequently under the old Provincial arrangement—put a goods train backwards or forwards.

1240. What course would you suggest as being the best for the Government to adopt for managing the railways and putting the Manager in a position of doing the best for the public?—There should be a minimum charge fixed and understood, and it should be left to the discretion of the Manager to regulate the charges according to circumstances. 25 per cent. might be too much, but there should, I think, be a distinction made between the charge for a train one way and a train for the double journey. I should charge that 25 per cent. as detention.

1241. There was some evidence given by another witness with regard to the question of interference in Lyttelton of the Harbour Board with the railway working. Are you aware of any order having been given or a request made by the Harbour Board to the railway to have the wharves absolutely cleared of trucks at night?—Yes, I am aware that such a request was made by the Harbour Board that the wharves should be cleared every night—that trucks on the outer lines should be removed to the inner lines to give free access to the ships.

1242. Was that order given merely to clear the gangways?—I understood it applied to the whole line, and in my reply I recommended that gaps should be left for the gangways. That was agreed to. I understood they wished in the first instance to have the whole lines cleared.

1243. *Mr. Wood.*] Your experience is confined to the Southern lines?—Yes.

1244. Where there is a very considerable amount of all sorts of traffic?—Yes.

1245. You said you thought it would be advisable, as a rule, not to encourage special trains?—I did.

1246. How about lines on which there is very little traffic? Would you not encourage all the traffic you could get?—That is quite true.

1247. Then your remark does not apply to the Northern lines?—It applies to my own district.

1248. Would it not be advisable to encourage special trains as much as possible on a line like the Auckland and Mercer, where two trains run each way per day—morning and evening?—There would be no objection at all, because the line is free.

1249. In that case would you apply those charges you mentioned to a line of that kind?—There would be a question of uniformity again.

1250. Would you sacrifice everything to uniformity?—My own individual opinion is that I would not.

1251. When Mr. Passmore was at Auckland we discovered that the absolute outside cost to the Government, including wear and tear, was nine guineas for a train running between Auckland and Mercer. The Government charge is £32 5s. for the same thing. Do you not think that an awful disproportion between the actual cost to the Government and the amount charged for running a special train there and back, and keeping it within the day?—Yes, I do. I think that would be rather excessive, according to my ideas of it. The amount chargeable for such a distance as that would be about £28, or £24 without the return journey.

1252. Even that is more than anybody likes to give. £20 has been frequently offered and refused. Do you not think it would be very well if they got £20 for what costs only nine guineas?—That would do very well for a line where the traffic is small, and the line free.

1253. *Hon. Mr. Richardson.*] That is, supposing there is a staff unoccupied and ready to go to work?—It would be so in this case, because the driver is paid for ten hours. There would be no additional cost to the department for labour.

1254. How can a man who is running with an ordinary train take a special from Auckland to Mercer, and remain at the beck and call of the person taking the special?—I did not mean to say that for a long distance it could be done with no additional expense. I meant that it would not necessitate an extra shilling for labour in the case of short distances, where the driver of an ordinary train would have time to take charge of a special between times.

1255. *Mr. Stevens.*] Can you give the Committee an idea of what you would consider to be a reasonable allowance for depreciation. I am speaking of a constructed line in full working order?—That is out of my department, and I have no information to guide me in expressing an opinion. I do not know what is done in that way in the other colonies or at Home.

1256. Did the question engage the attention of the Commission?—No.

1257. *The Chairman.*] I wish to ask you, in continuation of Mr. Wood's question, whether you consider this item of £6 6s. for wear and tear a fair charge?—I think I have answered that through Mr. Stevens. It is not a matter which comes within my department; it is scarcely a traffic matter. It is close upon 1s. 6d. per mile for wear and tear, and I should think that rather excessive.

1258. Do you not think that such a rate would swallow up the whole of the earnings of the line?—I think so. It seems an excessive amount.

1259. If a similar rate were charged in respect of all trains run, the charge for depreciation on this line would be twelve guineas a day?—Yes.

1260. How much would that amount to in the year?—3,744 guineas.

1261. You have stated it would be unfair to compare the July returns of 1876 with the July returns of 1877—that is for passenger traffic?—I spoke of June.

1262. I thought you referred to July?—Perhaps it would apply in the same way.

1263. Then why do you consider it would be unfair?—Because it was understood towards the end of June that the Government were about to discontinue the Saturday single-fare return tickets, and a large number of persons in the country availed themselves of the opportunity of cheaper fares to come into town in large numbers on those last two Saturdays. No doubt they were tempted to do so, owing to the paragraphs which appeared in the papers that those two Saturdays would be the last upon which they would be able to travel at cheap fares.

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1264. Did you not, as Manager of the railways, advertise that the return tickets were to be continued to be issued?—Yes; but I do not think that was before the beginning of the month of July. I am not at all certain on that point.

1265. Are not both advertisements and local paragraphs to be found in the Christchurch papers prior to the 1st July, stating that return tickets would continue to be issued?—Yes; I think you are right in that respect; but I doubt whether those advertisements and paragraphs had the effect of fully doing away with the impression, because people in the out-districts, who would be most likely to travel in order to save money, would probably not see the papers very soon.

1266. That might possibly apply to the first week?—Yes; and to the second and third week too.

1267. Do you think that circumstance had any material effect upon the traffic?—Certainly; I think it had.

1268. I wish to ask you this: Do you think a return to the old tariff would produce an increased revenue to the Government, and give greater satisfaction to the public?—Yes.

1269. *Mr. Stevens.*] In reference to passengers?—Both passengers and goods. I am strongly of that opinion. The old tariff worked remarkably well, and I think it was a mistake to alter it.

1270. *The Chairman.*] I think you have said that the periodical clearing of country stations did to a certain extent relieve the block which occurred some time ago?—Yes; the total clearance. It gave the greatest satisfaction at any rate.

1271. But did it not produce the greatest dissatisfaction at stations which were not cleared?—It did.

1272. Did not a considerable number of people, whose stations were not for a long period cleared, complain that trucks went continually past their stations, which were blocked?—Yes.

1273. You have told us the Government should offer facility for the erection of sidings and stores at country stations?—Yes.

1274. Do you consider the printed conditions offer sufficient inducements to farmers to provide sidings and private sheds?—I think so.

1275. Do you consider that the Government should exact from the proprietors, or those erecting sheds, a guarantee of a certain amount of traffic before the sidings and stores are allowed to be erected?—I do.

1276. Do you think it fair that the Government should retain the power of closing the sidings at any moment they think proper, and so destroy the whole investment?—I think some compensation is given in such cases, but I am not sure. No doubt the builder of a store should have some protection. The present provisions on this point are somewhat arbitrary.

1277. Is it not within your knowledge that complaints have been made by Royse, Stead, and Co., and the Mercantile Agency, and other parties, who have gone to great expense in building stores, that there is no finality in the arrangements of the Government?—That is true as regards Lyttelton and Christchurch.

1278. Would you not recommend the Government to take some steps to secure proper stores at Lyttelton and Christchurch; and that there should be some finality in the arrangements they make?—It is very desirable, no doubt.

1279. You have been for many years Manager of railways, and I should like to ask you this: Do you not think it would conduce to the interests of the Government, and the interests of the public, that the railways should, as far as possible, be under local management entirely?—Yes, I do think so.

1280. That Managers should be appointed to certain subdivisions of the colony, and that they should have almost unlimited control over the railways in those subdivisions?—Yes, with a certain amount of control at head-quarters.

1281. That is, the political head?—Yes.

1282. Where do you draw the line?—Well, I would suggest that no great change should be made without special sanction from head-quarters, but that the ordinary arrangements for the management of the line should be left to the General Manager.

1283. Would you allow him the power to change Stationmasters when he pleased?—Yes.

1284. Would you allow him to make special arrangements with regard to freight?—With individuals?

1285. Yes.—No. Anything done in that way should be upon a general plan or principle.

1286. Do you think the Government should hand the railways of the various subdivisions—supposing the colony was so subdivided—over to the respective General Managers, and say, "There are the railways. Work them as you will. We hold you responsible for the satisfactory working of them?"—I think such a course would be desirable.

1287. Do you think it necessary to have engineers and managers in Wellington acting as a kind of a go-between between the local managers and the political head of the department?—No; I think it would be better for the local heads to be subject only to the political head.

1288. *Mr. Stevens.*] Let us clearly understand you. Do you think that the maintenance of the permanent way and the erection of new stations or sidings, or other works of that kind, should on each line be under the control of the Manager of the line?—I think all expenditure outside the estimates—the departmental estimates—should be authorized from Wellington.

1289. *The Chairman.*] I suppose you mean that such matters should be referred to the political head, and not to the engineer of lines to be constructed?—Exactly. No one in the case of constructed lines should come between the Minister for Public Works and the General Manager.

1290. *Mr. Richardson.*] I wish to ask you this. Supposing that damage occurs to a small consignment of goods while in the possession of the railway authorities, and the consignee thinks the department is to blame, is there any process by which he can speedily take the matter into the Resident Magistrate's Court and have it settled? Has the Government appointed any one in Christchurch or Lyttelton, say, to sue or be sued on behalf of the Government in these small matters?—I understood that I, as so-called General Manager, could sue, but the question of being sued has not been settled.

1291. *The Chairman.*] Do you think it would conduce to the more satisfactory working of the railways in Canterbury if the railway authorities had sole control of the stores and rails on the wharves at Lyttelton?—I think it would be desirable.

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1292. Do you also think it would be desirable that the railway authorities should have the power of saying where ships should load and unload, and at what hours it should be done—that is, where it is done either into or out of the railway trucks?—Yes.

1293. You do not think it would be proper that the Harbourmaster should have the power of interfering?—No.

1294. *Mr. Richardson.*] Are you aware whether he has now that power or not?—I do not know.

Mr. Richardson: I wish to state to the Committee that, by an arrangement between the Government and the Harbour Board, the railway authorities have the entire control of the rails and traffic on the wharves at Lyttelton. The only way in which the Harbourmaster can interfere is to see that the loading and discharging is done in such a way that it shall not be dangerous to vessels lying alongside the wharves.

1295. *The Chairman* (to witness).] Have those by-stores on Gladstone Pier always been considered to be part and parcel of the railway?—I have always considered them so. [See Appendix A.]

Mr. GRANT examined.

Mr. Grant.

1296. *The Chairman.*] Will you be good enough to give your name and position in connection with the railways?—Alexander Grant, Traffic Manager. For the purposes of the Act—viz., “The Railway Regulation and Inspection Act, 1873,” clause 8—I have been gazetted General Manager, but have the supervision of the traffic department only.

1297. Where at?—Dunedin Section.

1298. I want to ask whether, in your opinion, the adoption of the weekly-account system has led to any increase of labour on the part of the railway officials in that division of the railways, and additional expense?—Where the traffic is very light it has not added much to the expense or labour, but where the traffic is heavy that system has rendered the work very laborious.

1299. And added to the expense?—In a slight degree.

1300. Have there been any persons employed by reason of this?—The older hands have been harder at work, and cadets have been taken on; that is the only increase. At small roadside stations it matters very little whether weekly or monthly accounts are kept, but at Port Chalmers, Dunedin, Milton, and other large stations, the change has rendered the work very laborious indeed.

1301. Will you require any more hands besides what you say you have taken on?—Yes, as the work increases—during the grain and wool season.

1302. Will you say whether the weekly system, as against the monthly, has given satisfaction or dissatisfaction, not only to the officers of the railway, but to the general public, or does it interfere with the public?—It does not interfere with the public, but it does with the staff.

1303. Do you not have to make your accounts weekly to the public?—Not in shipping traffic.

1304. You do not observe instructions as to weekly accounts, so far as the public are concerned?—With reference to shipping, we are exempted from the general rule, being impracticable.

1305. Do you believe there is any greater security against fraud upon the Government in weekly accounts than there is in monthly accounts?—There is no greater security.

1306. Then, as to the audit. You still have a local audit in Dunedin?—Yes.

1307. Still the same staff as before?—Slightly increased; there is an extra cadet employed.

1308. Have you increased in the store department also?—No.

1309. You believe, then, it is necessary to have the system of central audit as it obtains at present?—I believe, for the sake of despatch, in the local audit.

1310. You have greater despatch under a local audit than under the present system of central audit?—Decidedly.

1311. What is your opinion with regard to the classification that has been adopted?—I have been so long accustomed to elaborate classification at Home, that I am favourable to it.

1312. Do you believe the present classification is correct, or that it will have to be modified as exigencies arise?—I believe it will have to be enlarged.

1313. You have in Otago a system of classification, but it is not so elaborate as at present?—Yes, but it is not so elaborate as the new classification.

1314. Did you find that to work well?—Yes.

1315. Then why do you think a much more elaborate one is better than the one that worked so well in Otago?—Our traffic was comparatively light; the shipping being the principal item of our traffic on the Dunedin Section, which is carried according to bills of lading, not by classification. As the business increases, I believe a more elaborate classification will be necessary.

1316. Then the provincial system would not work so satisfactorily when there is much traffic?—I believe, with classification it would work better.

1317. Is there any more traffic on the railways now than when the province had the lines?—No. In view of a large traffic I believe that classification will give more satisfaction.

1318. Are you aware upon what principle the charges in those classes were made—whether upon distance solely, or the cost and construction and maintenance of the railways?—I could not say.

1319. The charges have been reduced, have they not, upon the Dunedin and Port Chalmers line?—Yes.

1320. How many times have they been reduced during the last month?—Twice.

1321. When was the last reduction made?—A fortnight ago.

1322. Do you think, Mr. Grant, that it would contribute anything to the satisfaction of the public, and also to the profit of the railway, if tickets were issued by the railway authorities, to be used at any time, instead of being restricted as at present?—I would have return tickets restricted to a certain period.

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1323. What would be the period you would recommend?—For distances up to twenty-five miles the second day, and distances over fifty miles the third day.

1324. Are you aware whether in England and America, or both, tickets are issued available for a month, six months, or as long as the party wishes, when he applies for them?—Yes.

1325. Are you aware, of your own knowledge, whether that system has worked well or not?—I am not aware. They are principally tourist tickets. I do not think they are given in ordinary cases.

1326. You are not aware that, if any person applies, he can get a ticket for four months or six months at the same price?—At Home you can get excursion tickets by a prescribed route for three months and longer. By paying a certain amount you get it extended, but I do not think ordinary return tickets will extend beyond a week.

1327. What is the condition of our country railways or management that prevents us adopting the same rule as regards tickets that is adopted in other countries?—I do not see any objection to it.

1328. There is no more likelihood of fraud or forgery of these tickets here than in England or America?—No.

1329. Then, with regard to the vending of tickets, do you think it would be advisable in the interest of the public that railway tickets should be sold at hotels or other places in addition to railway stations? Would it be advantageous to the public?—With certain restrictions.

1330. What restrictions would you impose?—That they should be sold consecutively for the sake of check.

1331. Is it not possible that tickets not sold consecutively would never go back, and would confuse your accounts?—These tickets could be sold to responsible persons, and, to prevent any fraud, once a week or once a month they could be examined.

1332. Do you not think that if you were to have the tickets numbered consecutively, it simply means that the thing is unworkable?—No, I do not think so.

1333. You would not allow parties to get tickets on credit?—I would allow dealers to have them on credit.

1334. You have a system of town delivery in Dunedin, have you not?—Yes.

1335. Has that worked satisfactorily?—Yes.

1336. Do you think that is calculated to assist the railway authorities in keeping the stores clear?—Very much so.

1337. Do you think a system of loading and unloading trucks by contract would answer?—No.

1338. In case of stores being purchased in Dunedin, where would the accounts have to go before payment could be made?—In most cases to Wellington.

1339. How long, as a rule, would the seller have to wait for his money?—In most cases about a month.

1340. Under the provincial system how long a time would have elapsed before such accounts were paid?—About a week or ten days.

1341. Do you know whether merchants have charged a higher price in consequence of having to wait a longer time for payment?—I cannot say.

1342. Do you consider, aside from the Port Chalmers line, that the new regulations that have been issued have been productive of a decrease in the number of passengers?—The new passenger tariff has not affected the matter much; it is very similar to the old tariff. It has made very little difference indeed.

1343. If it has made any difference, on which side is the difference?—Decrease on goods traffic; but, as a whole, the receipts have not decreased. There was an increase in July, as compared with the corresponding period of last year. The passenger receipts in July last were £3,014 19s. 10d.; in July, 1876, the receipts were £2,563 18s., so that there is thus shown an increase of £451 1s. 10d.

1344. Has there been an increase of mileage?—Yes; 22 miles on the Tokomairiro line.

1345. Can you give us the difference between the returns for June, 1877, and June, 1876?—On the Dunedin section the receipts for the months of June and July, 1877, and corresponding period of 1876, were:—

	June, 1876.			June, 1877.			July, 1876.			July, 1877.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Passengers, &c. ...	2,758	18	10	3,188	6	0	2,563	19	0	3,014	19	10
Goods, &c. ...	3,367	0	9	4,229	0	10	4,423	15	0	3,683	4	4
	<u>£6,125 19 7</u>			<u>£7,417 6 10</u>			<u>£6,987 14 0</u>			<u>£6,698 4 2</u>		

1346. May not the £451 be regarded as the result of the natural increase of travelling on the railways?—It is the natural increase.

1347. *Mr. Macandrew.*] In that case the additional mileage from Tokomairiro to Lawrence has produced nothing?—The passenger traffic on the Lawrence branch is very light.

1348. How many men are there engaged permanently in loading and unloading trucks at the Dunedin Goods Station?—Twelve or fourteen.

1349. At what wages?—£9 to £10 per month.

1350. And the Government has a contractor to deliver all goods in Dunedin?—Yes.

1351. Could he not load his own trucks at a lower rate than you could? Would it not be profitable to the Government to dispense with the services of some of these men, and arrange with the contractor to load goods himself?—No, I think not.

1352. You say that almost all payments are made from Wellington? What are the exceptions?—Accounts are paid out of imprest in cases of urgency.

1353. *Hon. Mr. Richardson.*] I understand you to be in favour of a more elaborate classification—you think it would make the work of Stationmasters lighter?—Yes; I am in favour of a more extended classification embracing all the principal products of the country.

1354. Is it not the case that in England or Scotland, where I believe you have had some experience, they bring into force a much more detailed classification than we have here, and are daily adding to the list as experience suggests?—Yes.

1355. *Mr. Stevens.*] Do you consider it would be advisable to have more than one contractor supplying stores—viz., in Dunedin? Should you be in favour of the present schedule being divided?—I think it would be better.

1356. *The Chairman.*] If an error occurred in the accounts of a Stationmaster in the Dunedin District, where would that error be discovered—in Wellington or Dunedin?—If it was an error in the goods department it would be discovered in Dunedin; if in the passenger traffic, in Wellington, as the passenger returns are sent up without being touched or altered. The returns of the goods traffic are sent to Dunedin and audited there, and the results of the returns are forwarded to Wellington.

1357. *The Chairman.*] If there were an error in the Dunedin audit, would it be discovered when the papers were sent up to Wellington? Has such a thing occurred?—No; if it occurred, it would be discovered in Wellington.

1358. *Mr. Macandrew.*] Supposing a Stationmaster delivered goods without being paid, or, if he was paid, pocketed the money, where would that occurrence be found out?—Dunedin.

1359. *The Chairman.*] I have been requested by a member of the House to ask you this question: Whether the recent contract entered into in Dunedin for the cartage of goods is any more advantageous to the public than those proposed in other tenders?—I did not see the tenders.

1360. *Mr. Macandrew.*] The work is not being carried on now by the same individual who carried it on before?—No.

Mr. Grant.
1st Sept., 1877.

TUESDAY, 4TH SEPTEMBER, 1877.

Mr. HENDERSON examined.

Mr. Henderson.
4th Sept., 1877.

1361. *The Chairman.*] Will you first give the Committee your name, so that the shorthand reporter may take it down?—John Henderson.

1362. And your profession?—A civil engineer.

1363. You have been connected with the Messrs. Brogden?—I have been connected with the Messrs. Brogden more or less since 1853. Since that time I have been in different parts of the world. It was in 1853 that I was first connected with them.

1364. Have you had any considerable experience not only in the construction but in the management of railways?—No. I have managed them in Brazil for nine months during the time of construction, and have seen a good deal of management in various parts of the world.

1365. Will you state whether it is the rule or not throughout the world in the management of railways that men of general business habits and commercial knowledge are employed in the management of railways to the exclusion of engineers?—You will find they are specially trained to be general managers, not, as a rule, engineers. I do not know of any large lines where engineers are employed at all as general managers. On the London and North-Western Mr. Cawkwell is not an engineer; Mr. Allport, of the Midland line, is not an engineer; Mr. Underdown, of the Sheffield line, is a specially-trained man; and it is the same with the Great Western. These are four of the principal lines in England, on each of which a specially trained-man is employed. Of course, if a man had a special aptitude, and was an engineer besides, so much the better. It requires a man specially adapted to it, besides being an engineer.

1366. Is there any advantage, taking a case where a professional man is appointed to manage the railways without any special knowledge in the matter, as against a man who has a knowledge and had some experience?—I should think that a man specially trained is a great deal the better man of the two. It is not necessary for him to be an engineer to manage the railways, because they have what are called resident engineers to look after the maintenance of the lines. I think they have the same in Australia, with the exception of Adelaide. The work is done by a Commissioner appointed by the Governor. The general manager appoints every person below the traffic manager.

1367. Taking the condition of New Zealand into consideration, according to our circumstances at present, do you think that it would be any advantage to the public, and also to the Government, if a business manager were appointed in each Island to look after the railways, who would be responsible direct to the Minister?—If he had a speciality, and was a competent person, it would be much better to do so than to have a civil engineer, who would have enough to do to look after the works without managing the railways. At the same time, I think it would be advisable for the Government to take his advice upon the management of the lines upon matters that he knew anything about.

1368. Supposing a general manager were what we will call a mechanical engineer and at the same time a man of experience, would there be any objection to employing him as general manager?—Not if he were competent.

1369. *Mr. Macandrew.*] A man may be trained to manage a railway and know nothing of practical engineering?—Yes.

1370. *The Chairman.*] But where the two are combined so much the better?—Yes. As a rule on the large lines in England the engineer is independent of the general manager.

1371. He is under the general manager?—Not as a rule. On the London and North-Western line, the locomotive engineer is responsible to the Board alone.

1372. About the importation of railway material, do you think that the railway material can be constructed as cheaply as it can be imported?—I should hardly think it could, on account of the labour

1373. As to accounts, what is the system in England? Have they weekly accounts?—They have daily returns and monthly returns.

1374. Do you know whether it is the custom in other portions of the world to lease railways?—Yes, both in England and elsewhere.

1375. Is it possible, or is it impossible, for sufficient provision to be made in the leasing of railways to keep up the rolling-stock and maintenance of way to its proper efficiency?—It is possible, simply by a valuation when the line is leased, and another valuation when it is returned.

1376. You believe it is possible and done frequently?—Yes.

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4th Sept., 1877.

1377. If the Government of New Zealand were to determine to lease their railways to private individuals or companies, do you think that they could have any security at all for their lines being kept in thorough order, and the rolling-stock besides, and both handed back in an efficient condition?—It would be for the Government to have that good security, and for the officers whom they might appoint to look after it.

1378. Have you any knowledge of the way in which the ticket system is conducted in America? Not specially.

1379. *Mr. Macandrew.*] From your knowledge of the working of New Zealand railways, are you of opinion that any alteration could be effected, consistent with efficiency, whereby the cost of working might be reduced?—I have not gone sufficiently into it to give an answer, and could not now say. I have not given that study to it. It is outside my business at present.

1380. You could not say whether the railways could be worked more economically than now?—I dare say private individuals might work them more cheaply.

1381. *Hon. Mr. Richardson.*] About leasing the railways, I understood you to say you would provide for the rolling-stock being kept up by its being taken at a valuation. Do I understand you to mean that if the Government lease the railways, they should make a stipulation that the private individual should pay them the amount of valuation when they take the railways over, and that the value should be refunded at the end of the lease?—That is a matter of arrangement. It might be valued and still remain at their debit.

1382. That would do away with the necessity of an irksome supervision during the lease?—At the same time I think it advisable the Government should have an officer to see that the lines and rolling-stock were kept in an efficient state for the safety of the public.

1383. You said you would provide for the supervision of permanent way?—Yes.

1384. On the subject of depreciation, can you give us any idea as to the length of time the rails in New Zealand would be likely to last?—About thirteen years; I am taking the average. If they are first-class rails they may last twenty years, but that will depend a great deal on the traffic. On the metropolitan line the rail does not last six months, although steel-tops. Trains run every two and a half minutes. They are always laying fresh rails down.

1385. Are you aware that, with the exception of the Auckland lines and pieces of Otago lines, on all lines where there are heavy gradients and curves a 52-lb. rail has been used instead of a 40-lb. rail?—No.

1386. If that is the case, what about the lasting with the same class of engine?—Much longer, of course.

1387. Then it depends greatly upon the class of rolling-stock you use?—Yes; the lighter the rolling-stock the longer the rails will last.

1388. *Hon. Mr. Ormond.*] You spoke, Mr. Henderson, in reference to the general management of railways at Home, and I understood you to say generally that they were managed by persons not civil engineers?—Yes.

1389. That referred to large finished railways?—Quite so.

1390. Would you kindly say to the Committee whether you think it would be an advantage or not in New Zealand to have our managers civil engineers or not?—I think it would be much better if you could get a practical engineer, combined with a knowledge of railway management.

1391. In the case of the Southern railways you are aware that they are under the charge of Mr. Conyers, a civil engineer?—Yes.

1392. Is it an advantage or disadvantage to have him in that position?—If he is a practical man, and knows the working of the line, so much the better.

1393. If he were not a civil engineer, would it not be necessary to have an engineer to look after the permanent way and the locomotives?—Certainly it would be necessary.

1394. You are aware the railways in the North are also in course of construction. Would that at all make it additionally necessary or not to have an engineer directing the railway? Is it additionally advantageous to have an engineer as manager?—I should think it would, as I said before, if he were a competent manager. If not, I think it would be better to have both separate.

1395. With regard to the leasing of railways, you spoke just now of a valuation of the rolling-stock, and another valuation at the end of the lease, as a means of securing the efficiency of the lines and the rolling-stock?—Yes.

1396. Would not that involve a very large amount of expenditure?—It would. You would require to have sufficient security; because if depreciation was going on, you would have to have it covered by something or other.

1397. And that would require a considerable amount to secure it?—Certainly.

1398. In reference to the importation of rolling-stock, would you kindly say to the Committee whether you think that in New Zealand at present we could construct the locomotives required for our railways with advantage or not, as against imported ones?—I think it would be advisable to give manufacturers the opportunity, if they could make them at the same price, or even more, on the condition that they constructed them as efficiently as at Home.

1399. Could you say to the Committee whether it would be absolutely necessary to import some portions of the machinery?—Some of the finer parts—tires of wheels, springs, &c.

1400. Going to the ordinary rolling-stock, how far could these with advantage be obtained in the colony?—They ought to be made as cheaply as in England. For the safety of the public, your axles and tires ought to be imported until you are certain you can make them as well.

1401. What proportion would that be?—I could not tell at present.

1402. How would that apply to the carriages? Could they be constructed at present with advantage here?—I think they could; I do not see why not. The rails I find in Australia and other parts of the world are constructed of steel on top. The life of a steel-top rail is about six to one of the iron.

1403. *Hon. Mr. Richardson.*] The sleepers in England perish from two causes?—Yes, from rotting and wear.

1404. And is it not the case that the large majority of the sleepers used in England are soft wood?—Yes; that is where they do not need them to last long. Where there is a great deal of traffic they employ soft wood, but where there is a light traffic they use hard wood. The renewal for heavy traffic would be as frequent as the other, and the soft wood costs less.

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1405. You are aware that jarrah sleepers have been used in New Zealand?—Yes.

1406. What life would they have?—Twenty years.

1407. And from what you have seen of black pine or matai, how long would that last in comparison with the hackmatack, larch, or Baltic?—It ought to last, I should think, nearly half as long again. It is a superior class of timber altogether.

1408. *Mr. Macandrew.*] What is your opinion of the relative advantage of iron and steel rails?—The great advantage is this: When getting them out you pay £3 or £3 10s. per ton as freight, but then the life is six to one. It is cheaper to get steel rails at first.

1409. Could that not be equalized by reducing the weight of them?—You could reduce the weight of the steel rails.

1410. With advantage?—The steel rail will carry more than an iron rail, weights being equal.

1411. Then, in point of fact, they would not be dearer?—Not a great deal. All over Australia nothing is used but steel rails.

1412. *Hon. Mr. Richardson.*] Could you say from your own knowledge that a steel rail of 36 lbs. weight can be shaped in such a way as to give permanently the same strength as a 40-lb. rail?—If you like I will give information to-morrow in writing. [See Appendix B.] I could not say from memory. The maintenance of a road with a light rail is much more costly when laid down than a heavy one. The maintenance of a line with 30-lb. rails is much more costly than one with 40-lb. rails.

1413. That applies to steel or iron?—Yes; it is about 15 to 20 per cent. more costly.

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MONDAY, 10TH SEPTEMBER.

Mr. G. W. TIPPETTS, Goods Manager, Christchurch Station, examined.

1414. *The Chairman.*] Can you tell us whether there has been any extra work created in your department in consequence of the regulations which came into operation in July last?—There has been a considerable amount of extra clerical labour. That extra labour is sure to be required if the weekly system of accounts is to continue, because it multiplies our work by four every month.

1415. Then what has been the increase in your staff?—Four new hands.

1416. What would be the aggregate amount of their salaries?—£400 or £450.

1417. Do you consider the weekly system affords any greater security from errors, or greater facility in discovering errors?—No doubt, to a certain extent. Errors would be detected earlier, but I think the liability to error would be greater, because there is less time now to make up the accounts. We used to give the abstract clerk four days to make up the abstract; now he gets but one day.

1418. How many returns do you furnish weekly?—Summary, abstract, balance-sheet, pay-sheets, and press copy of all way-bills.

1419. Can you give any information as to the central system of audit?—I cannot.

1420. My attention has been directed this morning to certain incidents which occurred at the Christchurch Railway Station in June and July last, in reference to the starting of trains—passenger trains—while goods trains were coming in. Do you know anything of the occurrences?—Only what I have been told by the Stationmaster, from which I gather there was no danger. The trains were ordered to move into the straight siding, to make room for another train then arriving, and not to start on the main line. I do not think there was the slightest danger.

1421. Do you know whether the tariff and charges brought into operation in July have made any difference in the traffic?—I can hardly tell; the traffic is increasing month by month, and, judging by the way-bills, I do not think there has been any falling off.

1422. Do you think the classification satisfactory?—Not at all, either to the public or to the officials.

1423. Do you think an elaborate classification desirable?—No; I think the simpler it is the better. The present classification is by no means an improvement on the old one, which worked very well. For instance a merchant may buy fifty tons of potatoes, say, from a farmer—if the farmer sends in a load of three tons it is charged for under Class E, but if he sends in less than two tons it is charged for under another class. The result is that for the same consignment various prices are charged, and we are continually applied to for explanations.

1424. Here is a paragraph which has been cut out from a paper: "Railway Vagaries.—A short time since the Cust Road Board ordered from Christchurch forty drain-pipes, which were duly forwarded by rail to Cust. The charges on them were 15s. 9d. About a fortnight later another lot of twenty were ordered of the same size and forwarded as before, but the charge demanded was no less than 27s. 9d. The Chairman of the Board declined to pay this exorbitant sum, and wrote to the Traffic Manager asking for an explanation of the difference. In reply it was stated that the twenty pipes only weighed 30 cwt., and were considered as a small consignment and charged under Class A, and if the Board objected to this, the railway had the option of charging as a full truck-load—namely, 10d. per mile—which would bring it to 26s. 8d. Another lot of seventy-two drain-pipes has been received since, and the freight on them was 26s. 8d." Is that correct?—I believe it is.

1425. *Mr. Stevens.*] There have been considerable modifications in the classification?—There have been several modifications. The minimum has been altered to 2 cwt. 5 cwt. I think small enough. The rates on flour and grain, and sawn timber and other things have been changed. These are modifications which had to be made simply because it was an impossibility to work with the original charges. I think the classification still requires very considerable modifications. I think the classification here must have been taken from the Customs, for in a great many cases it is almost useless

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to us. For instance here we find in one column "Oilmen's stores, B." Then in another column "Apples," "Almonds," "Arrowroot" are distinguished, and separately classed B in another column.

1426. You make use of the classification?—Certainly. But in cases of doubt, say where there are a number of articles included in a consignment, we charge all according to the rate charged for the heaviest article.

1427. Leaving it to the discretion of the officers?—Yes; and I think it is improper to place discretionary power in the hands of junior clerks. It may be abused, though I do not know that it ever has been.

1428. You think there should be such a classification that there should be no difficulty or doubt at all?—Exactly.

1429. *Mr. Larnach.*] How long have you been in the Railway Department?—Ever since the line was opened—about fourteen years.

1430. You have subordinate officers?—Yes; seven permanent clerks and four extra men just now.

1431. What are the duties of the seven?—One is the head import clerk in B shed, as we call it; then there is a head export clerk, ledger-keeper, cashier, abstract clerk, warehouse book-keeper, and the head storeman, who also ranks as a clerk now. The four extra men are assisting the abstract clerks and the warehouse book-keeper. The warehouse-book is a new institution since July. There will be a necessity for these four men if the weekly system is retained; but if it were done away with we should revert to the old staff, doing away with the services of the four extra clerks.

1432. What salaries do the clerks on the staff receive?—From £250 (there is only one at £250) to £60.

1433. Returns are furnished weekly I believe. How are these classified?—Abstracts, cash balance, and summary. The cashier and ledger-keeper make out these.

1434. Who are responsible for their correctness?—I am.

1435. Do you check them?—No; I take the statement as correct. It would be impossible for me to check them.

1436. You verify them by your signature?—Yes.

1437. I take it that these returns are taken from the books, and that the same columns appear in your books as in the returns. Why do you not take the trouble to compare them with your books?—It is not a question of trouble but of time.

1438. Supposing the returns had been falsified—to put an extreme case—you, having signed them as correct, would be responsible?—I suppose so. But I do not think it is possible to falsify the accounts. The moneys are paid in every day; one clerk checks another, and one station checks another.

1439. How long would it take you to compare the figures contained in the statements with those in the books?—There are more than a hundred stations, and it would take a long time to go through the figures.

1440. Half a day?—More than that.

1441. A day?—Yes; it would be more than a day's work.

1442. Would it be two days?—I could not say. The documents are all checked in the Accountant's office by Mr. Fife, the Accountant.

1443. This is not a system of check which simply consists of signing the documents presented to him?—No; he checks the work of all the different stations.

1444. What are your usual business hours?—Nine to five; some of the clerks' are from eight to five.

1445. Is the time of the clerks fully occupied?—Yes. Several of the clerks are in the habit of returning after tea to finish their work.

1446. And yours also?—Yes.

1447. Have you sufficient time to get through your work?—Yes. I would like to put in a good word for some of the clerks. They have exceedingly heavy work. The hours I have spoken of do not apply to the busy season; we then have all sorts of hours.

1448. Do you think the present classification sufficiently explicit or too elaborate?—It is too elaborate and yet not sufficiently explicit. For instance, we have fat and tallow set down in Class C, and then tallow in Class B. The one is 4d. and the other 5d. per mile.

1449. Who arranged this form of classification?—I believe it was arranged by the Commissioners.

1450. Was your opinion asked prior to the classification being made?—I gave evidence before the Commission.

1451. *Hon. Mr. Richardson.*] I understood you to say you considered an elaborate classification not necessary?—Yes.

1452. If you were told that on the railways in England they find they cannot have too elaborate a classification, and that from year to year they were increasing the list, would that alter your opinion?—I think not. The circumstances of the case are very different. But the present classification is full of incongruities. Thus we have here, "Wine, Class A, in cases or jars, owners' risk." "Wine, in butts, pipes, and vats, Class A, double rate, owners' risk." "Wine, in bulk, Class B." I cannot tell what that means. Certainly it is seldom that wine has to be sent out in bulk.

1453. Is not wine in quarter-casks wine in bulk?—No; wine in quarter-casks is specially provided for. It comes in under Class A, double rate.

1454. *The Chairman.*] Supposing a 5-gallon keg were sent out, how would you charge it?—Double rate under Class A. The same as a quarter-cask.

1455. *Hon. Mr. Richardson.*] Suppose a 27-gallon cask were sent, how would you charge it?—Under Class A.

1456. Then a 56-gallon cask?—I should not calculate that comes in under wine in bulk.

1457. Have you not asked to know what "wine in bulk" means?—No; I have always presumed it to be a mistake. I may say it is very unusual to send it out in such large quantities either on the

North or South lines. I do not think I have seen a hogshead go out since the classification has been in force. *Mr. Tippetts.*

1458. *Mr. Larnach.*] If I sent out a pipe of wine, how would you charge for it?—Under Class A. *10th Sept., 1877.*

1459. Supposing I sent it out in bottles?—It would not then be a pipe. It would go at single rates under Class A. At any rate the one would go at double rates and the other at single rates. And it would come to about the same, because if sent out in bottles the weight would be more and the measurement larger.

1460. Has the present tariff resulted in goods being sent by water or by other conveyance than the railway?—Very slightly, if at all. I do not think there can be any competition with the railway. I only speak of my knowledge of the Christchurch and Lyttelton line.

1461. *Mr. Ormond.*] You said just now, speaking of mixed consignments, that there was a discretion with the officers as to the amount that should be charged?—Perhaps I was wrong in using the word “discretion.”

1462. There are definite instructions, are there not, to do as you have said—charge for the whole on the scale the largest package would come under?—Yes. “Discretion” is not exactly what I meant.

1463. As to the extra four men you said were required in consequence of the weekly system of accounts being introduced, would not some of those have been required in consequence of the increasing traffic?—The traffic is steadily increasing month by month, but I think the weekly system of accounts would necessitate the employment of four men.

1464. Have you any knowledge of what the increase of traffic was on the Canterbury railways as compared with that of the same month of the previous year?—No.

1465. Referring to the newspaper paragraph headed “Railway Vagaries,” what class would the drain pipes come under?—Class F. I am not in a position to give evidence about that occurrence, but I have heard from the outside department that it is correct.

1466. The minimum is 6d?—Yes.

Are you aware that accounts have been sent back from the Audit Office with memoranda that such charges as this were against the regulations?—No.

1467. *The Chairman.*] Do you consider the Government ought to charge the public for weighing wool?—It has been done for years, ever since the line was opened.

1468. Do you think the Government ought to guarantee the weight?—Yes, if they make a charge. We used to guarantee the weights, but that system came to an end in July.

1469. Did the Government have many claims made against them in respect of the weights they guaranteed?—I do not think there were any claims. I know there were complaints often made.

1470. Do you think it would be well for the Government to continue to furnish weights?—I do not, because some up-country Stationmasters are not accustomed to the work; and if we guaranteed weights there would be endless confusion in adjusting weights at the up-country stations with those of Christchurch.

1471. And there would be loss of time?—Yes.

1472. *Mr. Larnach.*] Are there any other goods besides wines, &c., which are charged differential rates?—I think it would apply to other goods besides wines.

1473. *Mr. Stevens.*] Is there any more risk in carrying wine in pipes than in bulk?—I should think the risk was equal in each case, although there is a distinction made.

1474. Now, as to spirits. I see spirits carried in cases or jars are carried under Class A at owners' risk, while when carried in bulk under Class B it is not so. Do you think there is any less risk in carrying a cask of spirits than a pipe of wine?—No; I think the risk is greater. Many men would be tempted to broach spirits, while they would not be tempted to broach wine.

1475. Beer is now carried to Timaru at 10s. instead of 6s. What has been the effect of that?—It has almost been a prohibitory rate to the Christchurch brewers.

TUESDAY, 11TH SEPTEMBER, 1877.

Mr. Arthur.

11th Sept., 1877.

Mr. ARTHUR examined.

1476. *The Chairman.*] Will you please give the Committee your name and position in the railways?—Thomas Arthur, General Manager.

1477. Where are you General Manager?—On the Invercargill section, Southern division.

1478. Have you been long in the railway employment there?—I joined the service in 1865.

1479. I want to ask you, Mr. Arthur, whether the new system, called the weekly system of accounts, entails any more work and expense than the monthly system?—Certainly it does.

1480. Are you prepared to say to what extent in your department it entails more cost and work?—One clerk at £250, and another clerk at £150; and in all probability I shall require another one, unless the system of monthly accounts is reverted to.

1481. Do you consider that there is any greater security against error, and any greater facility for remedying errors, in the weekly system than in the monthly system?—More so in the monthly.

1482. That is to say, that if an error occurs you would be more likely to discover and remedy it sooner under the monthly system?—More so than under the weekly system. Should errors occur in the monthly returns, there is more time to rectify them, and they are more likely to be correctly furnished.

1483. How many more returns are involved in this weekly system than in the monthly? What are all the returns that have to be made now?—I could not, at the present time, give them in detail; they are very numerous. I refer to the documents in connection with the weekly accounts. I could not go over them all. They are not mentioned in these papers [handed to witness by the Chairman].

1484. Can you say whether the present classification of charges is any improvement upon the

- Mr. Arthur.* classification that obtained on your railways before?—Speaking generally, I believe it is an improvement.
- 11th Sept., 1877. 1485. Do you find it more convenient to yourself and the public to work, and less expensive?—It is not so convenient to the department, but I believe it is more profitable to the public.
1486. Are you in a position to say whether there has been more or less traffic on your lines of railway under the present system than under the other?—I am not of opinion that the present classification has either increased or decreased the traffic upon the lines. I refer to the general working of the new classification locally; but on the Port line between Invercargill and Bluff, where goods are carried by measurement, it has affected the traffic. Rates charged are 6d., 5d., 4d., 3d., and 2½d. Goods locally carried under the present classification are carried by dead weight. On the Port line they are carried by measurement, which in many cases doubles the rates.
1487. Is there less traffic under the present system of charges than under the other system?—I cannot say there is less, unless on the Port line.
1488. And do you know whether there is less on the Port line or not?—We have lost several shipments, which we otherwise would have had had the previous tariff been in operation.
1489. *Mr. Macandrew.*] How have these shipments gone?—Direct to Invercargill.
1490. That is coastal shipments?—Yes. With your permission, I will read a letter from the Chamber of Commerce referring to the same matter. [Letter from Chairman of Invercargill Chamber of Commerce to witness, put in and read. See Appendix C.]
1491. *The Chairman.*] Can you furnish the Committee with a return of the number of passengers for the months of June and July last on your division of railways?—I can give you the cash receipts. In June the traffic amounted to £1,047 7s. 5d.; in July to £1,041 5s.
1492. Have you had any increase in the mileage of your railway during these two months?—No, none.
1493. Are you then of opinion that, if the old rates had been maintained, there would have been any increase in July on the June receipts?—I may state that the alteration, so far as the Invercargill Section is concerned, is rather a reduction than otherwise. Previous to the narrow gauge, we had only one class—second class. The second-class fare to the Bluff was 5s.; now it is 4s. 3d. first class. There is no complaint so far as the passenger traffic is concerned. The only complaint is in reference to the charges on the Port line.
1494. Would you recommend any alteration in the classification at present? Are there any special articles in an anomalous position?—There are many items which can be easily rectified as they are brought under the notice of the department from time to time.
1495. *Mr. Stevens.*] As General Manager, which I understand is your title, do you have control of anything besides the traffic, and of course the hands connected with it?—No, sir. The hands connected with the Engineering Department and maintenance of way and works are directly under the control of the Assistant Engineer.
1496. Do you report direct here or to Mr. Conyers?—To Mr. Conyers.
1497. How many miles of railway are in active operation under your control?—130 miles.
1498. Can you tell me the percentage which the working bears on the receipts of traffic?—Probably 75 per cent.
1499. From your experience, what do you consider would be a proper rate, taking, say, five years? What would be a fair and proper rate—I mean a satisfactory rate?—I think 75 is a very satisfactory rate.
1500. On a railway with an extensive traffic?—I believe so.
1501. What do you consider, in your district, ought to be a fair proportion in the working expenses (not including depreciation of permanent way, rolling-stock, &c.), and the gross receipts from traffic?—On the Invercargill Section it has never reached 75. It has been 60 to 65, including everything connected with the working of the railways.
1502. Has the traffic been very heavy?—Not very heavy.
1503. *Mr. Lumsden.*] Has any complaint been made to you respecting the goods traffic charges: I refer to timber, bricks, and stones for building purposes?—I may state that some time ago I recommended that a reduction be made in the freight of timber.
1504. And stone?—It might be reduced. I would also recommend that, instead of carrying it under the present classification, a special rate be levied, with a reduction of 5s. per truck containing five tons.
1505. As now, is your scale higher or lower than before?—Something similar. So far as bricks are concerned, it is lower.
1506. For general traffic, what is it?—It is higher on the Port line, where goods are carried by measurement. Where goods are carried locally by dead weight, it is lower.
1507. What are the charges when goods are carried to Invercargill from Dunedin?—15s.
1508. Do you know what it is from Port Chalmers to the Bluff?—15s. generally.
1509. Then they will bring goods to Invercargill for the same?—If they can get back-loading.
1510. Who appoints the officers in your department connected with the traffic?—The Superintending Engineer, on the recommendation of the General Manager.
1511. That is, clerks in your own department?—Yes.
1512. Have you had any complaints from officers lately?—No complaints of any kind.
1513. Have any of them been suspended within the last twelve months?—None.
1514. Then all the appointments of officers connected with the traffic are made by Mr. Conyers?—By the Superintending Engineer, Mr. Conyers.
1515. What is your opinion about the propriety of selling tickets outside the station?—In populous districts it might do very well under very stringent conditions, but as regards the Invercargill Section, I do not think it applicable. It would only be a loss to the department.
1516. Was any of last year's wool traffic taken up by drays in competition with the railway?—I am not aware of any. With reference to a previous question, I should like to say that, when in

Christchurch, Mr. Conyers informed me that he had a telegram from the Engineer-in-Chief having reference to Mr. O'Toole stating that he had been three times suspended, and his salary had been increased £75. I may add that Mr. O'Toole is a clerk in my office; he is a very efficient officer, performs his duties very well, and is of great importance to the department. Several times he got the worst for liquor—at least, so that I could detect it on him. I warned him, but did not wish to take harsh measures. He persisted, and I requested him (the fourth time) to resign at once and leave the service. I referred the matter to the Superintending Engineer, who was then at Invercargill. Mr. O'Toole made application to get back to his office, and Mr. Conyers favourably considered his case, and granted the application.

Mr. Arthur.
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1517. *The Chairman.*] Has he gone through the Bankruptcy Court since he has been employed on the railways?—He has.

1518. *Mr. Macandrew.*] Is it the Mr. O'Toole who was in the Custom-house?—It is.

1519. When his case was favourably considered, did you report on the case?—I did personally to the Superintending Engineer.

1520. *The Chairman.*] When he was reinstated, was it under the General Government?—I could not possibly answer the question as to whether it was under the General Government or not.

1521. Was it since the 31st December last?—It was.

1522. *Mr. Lumsden.*] Do you know why he left the Customs?—I do.

1523. It was for something similar?—It was. That is four or five years since.

1524. *The Chairman.*] Has his salary been raised, or is it proposed to be raised?—I may say that I made application for an increase of salary, but that was about the time Mr. O'Toole was asked to resign. That was done specially on account of the extra work which was likely to fall on the department. It was my intention to manage the extra work with an efficient clerk, and I thought it necessary to increase the salary of the chief clerk.

1525. You did not mean to increase Mr. O'Toole's salary, but that of any one filling his position?—Of any one filling his position.

1526. *Mr. Lumsden.*] Who is acting as clerk on the Bluff wharf in connection with the shipping? John Anderson.

1527. Does he belong to your department?—He does.

1528. Is he an efficient officer?—He does his work very well.

1529. Is he steady?—Sometimes. I have never seen anything myself; neither have I had official reports about him.

1530. You never have had occasion to ask him to resign?—I have not.

1531. Is there any rule affecting a person in the Railway Department should he become bankrupt in the service?—I think reference is made to it in the Civil Service Act.

1532. *Mr. Larnach.*] What position do I understand you to hold?—General Manager, Invercargill division.

1533. How long have you been in the service?—I joined in 1865.

1534. What experience have you had in the management of railways?—Since then in New Zealand only.

1535. What business or calling had you been accustomed to before you joined the service?—A clerk.

1536. You had never any experience before in railway management?—None.

1537. What you know now has been acquired in the present service?—It has.

1538. I think I understand you to say that the system of furnishing railway accounts having been changed from monthly to weekly, in your opinion it has caused extra expense without being any particular benefit to the railways?—It has been no benefit as far as I can see.

1539. And the extra expense in your department amounts to £400?—Yes.

1540. And promises to be more?—Yes, another hand is required to compete with the work, at £150.

1541. Then the extra expense would be £550 in your department?—It would.

1542. Would not the traffic receipts of the railway be benefited by running trains on Sunday?—The receipts might be increased.

1543. Would it not be a great convenience to the public?—We run trains on the arrival of steamers. So far as I am concerned, I have always been opposed to Sunday traffic. I believe Sunday trains would be well patronized.

1544. Would it, in your opinion, not be a great convenience to the public?—I believe it would.

1545. And that the traffic receipts would be benefited?—They would.

1546. It would take many people out of town who would not otherwise move from it on Sunday. It would be a convenience to the public?—I believe, speaking generally, it would be a convenience to the public.

1547. What effect has dead weight, such as stone, iron, coal, &c., in the wear and tear of the line, compared with packages of loose lumber?—It altogether depends on the manner in which it is handled. If properly stored, it would be quite equal to weight.

1548. Take a carriage marked four or five tons, and you pack that with stone, you would not be able, perhaps, to put nearly so much weight on in loose lumber or packages. What effect has that dead weight on the line in comparison with lighter packages?—I consider that if a truck is not loaded beyond its carrying capacity the wear and tear could be nothing more.

1549. Would heavy dead weight not have more effect in the wear and tear of the line?—Not at all. That altogether depends on the strength of the springs. If a wagon is overloaded, the line suffers materially, but so long as the springs are loaded to work easily, it has no effect whatever.

1550. Then am I to understand that there would be no marked difference in the freightage of one material more than the other?—The specific gravity should be considered, and freightage regulated accordingly.

1551. I take it you are guided in your freightage by the actual wear and tear of goods carried on the line?—Of course that is taken into consideration with the value of the articles carried.

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1552. Do I understand you to say that if an article worth £1,000, taking a few feet only of room, is carried, it would be carried at a higher expense than an article valued at £100 would be carried?—By all means, if the railway is responsible, there ought to be a very much higher charge. If the authorities carry a package worth £350, measuring three feet, and are responsible for its safety, it is necessary that a higher rate of freightage should be charged than for a piece of stone measuring four feet, and valued for £5 or 3s. 6d.

1553. Is the rate of carriage guided by the value of the goods carried?—The value of articles must be taken into consideration, which is plainly shown in the classification sheets.

1554. The responsibilities of the officers of the railway are charged for as much or more so apparently than the actual wear and tear caused by heavy traffic. You appear to say that the freightage is regulated by an *ad valorem* charge?—To a great extent.

1555. Therefore it is on the guarantee principle?—The wear and tear is also taken into consideration.

1556. Is that the usual way to regulate the charges on the railway?—I think it is.

1557. Mr. Conyers, you say, is Superintending Engineer?—Yes, he is.

1558. Is that the usual title in connection with officers in that position on the railway?—I am of opinion that it is not, and think he should be termed General Manager, from having full control of the railways in the Southern Section.

1559. You mean that the title he has is an unusual one?—I am of opinion it is an unusual one.

1560. That he is doing the work of practical Manager of the railways?—Yes.

1561. You said that the sale of railway tickets outside the ticket office would, in large populous places, be beneficial, but not so in small places?—I did.

1562. Why would the difficulty be more in small than in large places?—I cannot see how the sale outside the department would induce any one to travel by railway. A commission would have to be allowed for the sale of the tickets.

1563. Would not the department gain by the number of tickets continually in circulation?—I do not think it would. Those who wish to travel must come to the station, where tickets are supplied.

1564. Would it not influence the sale of tickets that were not actually required for immediate use?—I do not think so.

1565. Do you mean to say that if the public had the convenience, they would wait until the train was going, and then go to the ticket office?—In so far as the sale of tickets outside the department is concerned, it would only relieve from pressure at the ticket offices, and be convenient to those securing tickets in a less-crowded place.

1566. I cannot understand why there could be any objection to tickets being sold outside. I should fancy there would be no risk in the management of such a system?—There is no risk whatever in the management of such a system. If such a system were adopted, the tickets should be paid for when supplied. At the same time it would be necessary to have special tickets printed for that purpose, so that it might not interfere with the consecutive numbers issued by Stationmasters.

1567. Then there could not be any more risk or inconvenience in such a system being in force in Invercargill than in Dunedin?—No inconvenience whatever; it would simply be a loss to the department, seeing the traffic is not large, and we should lose the commission paid to those who sold them.

1568. That would be the only loss?—I believe so.

1569. You are aware that a commission is allowed on the sale of postage stamps?—I am.

1570. That does not affect the working of the Postal Department?—No. I think in populous districts it would act very well, but in Invercargill I am of opinion that it is not required. Still, it might be well to give it a trial.

1571. Do I not understand you to say that Mr. O'Toole's salary had been increased two or three times?—I recommended an increase for the office, and that was in view of the extra labour likely to accrue.

1572. How long had he been in the Railway Department?—About sixteen months.

1573. And you consider him a very efficient officer?—Not one more so in the railway service at the present time.

1574. That is, when not under the influence of liquor?—Yes.

1575. How many times has he been under the influence of liquor in the sixteen months?—Four times to my knowledge. At the same time he was not incapable of performing his duties.

1576. Is he in the service now?—He has been reinstated by Mr. Conyers.

1577. You are not aware whether Mr. Carruthers was aware or it?—I am not aware.

1578. Mr. Macandrew.] I understood you to say with respect to the new regulation for keeping accounts, that you do not consider it any improvement upon your branch, as compared with the former?—It is no improvement.

1579. And involves an additional expenditure of £550?—Not at the present time. It will, to work the new system of weekly accounts efficiently.

1580. With regard to the railway regulations, do you think they are capable of being simplified without detriment to the railway and the public safety?—They are indeed.

1581. Would such simplification in the respects to which you allude enable any saving to be effected: For example, there is now a regulation providing that a ganger shall walk over six miles of railway twice a day, morning and evening?—There is.

1582. Is that regulation carried out?—It is carried out on the Invercargill Section, and is directly under the Assistant Engineer. I do not wish to say whether it should be done away with or not.

1583. In what other respects do you think those regulations could be simplified, so as to save expense?—I have not considered them generally.

1584. The regulation provides an extra man for holding the brake?—It does.

1585. Do you think that necessary?—Quite unnecessary.

1586. What saving would be effected if that were done away with?—£500 on my division. It has been done away with on the Invercargill Section.

1587. When?—Fourteen days ago. The travelling clerks are under notice now.

1588. How many officers accompany each train. One guard, engineer, and fireman?—Yes, one guard, engine-driver, and fireman.

1589. There is never more than one guard?—Sometimes; if there is an extra pressure of work, a porter is sent to assist him, but the general rule is one guard.

1590. Then I understood you to say that you consider Sunday trains would be a very great convenience to the public?—Not to all the public, but those desirous of travelling on Sundays.

1591. There is a large section down there who are rather opposed to it?—A great many are not in favour of it; I believe the majority.

1592. Would it not involve extra hands to run Sunday trains?—It would require extra labour on the part of the officials.

1593. Extra pay, or extra hands?—Extra pay.

1594. Do you think the receipts likely to be derived from it would pay for this?—I believe the receipts would be in excess of the expenditure.

1595. I understood you to say that the freight from Dunedin to the Bluff is 15s., and from Dunedin to Invercargill the same?—I am of opinion that 15s. to the Bluff is the general rate, and when there is back loading from Invercargill the rate is the same.

1596. What reduction would you require to make in the present tariff in order to secure the whole traffic from Dunedin to Invercargill?—I think the rate of freight on general merchandise should be 7s. per ton.

1597. That would make it 22s. altogether?—Yes.

1598. And you think that the saving of time by landing the goods at the Bluff would be equivalent to the difference?—I believe it is. I believe the merchants would avail themselves of the railway, even though it cost them 7s. more—*i.e.*, railway freight, 7s.; steamer freight, 15s.

1599. What proportion of the coastal traffic goes up the New River as compared with the railway?—I do not think over 70 tons a week at the present time.

1600. That does not include the back freight?—No. Their freight generally consists of timber from the bush on the other side of the bay.

1601. Could the railway not secure that timber?—No; it is on the other side of the bay.

1602. *Mr. Larnach.*] I have noticed, on the arrival of the steamers from Melbourne at the Bluff, that sometimes a steamer will arrive just as the train has started, or a steamer may arrive in the afternoon, and no train comes down. Would it not increase the traffic receipts if trains met these Melbourne steamers?—We generally run special trains for them.

1603. Not always. I have been there myself when no train came down, and when many people would have gone up to town if there had been a train to take them. Steamers have arrived in the afternoon after the last train, and sometimes between the morning and mid-day trains?—It would very seldom pay to run a train specially for the passenger traffic in connection with a steamer. The number of passengers on an occasion of that kind would not be sufficient to guarantee sending a special train.

1604. *Mr. Macandrew.*] Are vessels not signalled from the Bluff Head?—They are.

1605. How long before arrival?—Sometimes two and a half, sometimes two, and sometimes only one hour. It depends on the state of the weather.

1606. Is there not a regulation under which they are signalled to you?—They are regularly signalled.

1607. So that you have an opportunity of sending special trains if necessary?—If necessary.

1608. *Hon. Mr. Ormond.*] In reference to the audit system of accounts, you say the weekly-account system increases the cost by £550 a year?—Not at the present time, but to work it efficiently it will.

1609. Is that for the coming year you mean?—For the present year.

1610. Do you think you have had sufficient experience of the two modes to be able to give a definite opinion on that subject?—Not quite. I believe it should have a further trial—perhaps two or three months.

1611. Have subordinate officials got into the way of working this system of accounts?—Not altogether.

1612. So far it has increased the difficulties of the work?—It has increased the expenditure.

1613. You spoke of a reduction you thought desirable in the carriage of stone?—I did.

1614. From where?—From the Oreti quarries, thirty-seven miles from Invercargill.

1615. What is the rate now?—30s. per truck.

1616. You propose to reduce that by 5s.?—I do.

1617. This stone is principally for metalling the road?—It is building stone.

1618. Would the rate then be a paying rate for the railway?—I believe it would.

1619. In reference to timber which you said you would advise a reduction on. What class of timber do you mean?—Sawn timber.

1620. Is that a reduction below the present rate?—It is. I would recommend a reduction of $\frac{1}{4}$ d. per 100 feet over thirty miles. Now, it is carried at $\frac{1}{4}$ d. per 100 feet per mile.

1621. Where is the principal timber trade. How far from Invercargill?—The larger mills are near Invercargill, but there is one mill sixty miles from port.

1622. How does the present rate of timber compare with the old Otago rate?—It is something similar.

1623. Would this reduction increase the timber traffic?—I believe it would.

1624. Does all the timber come by the railway?—All timber for shipment. Some mills have been obliged to close, not being able to compete with the mills nearer port.

1625. With regard to the charge between the Bluff and Invercargill, have you made any recommendation on this?—Yes, I reported on the matter to the Superintending Engineer, a copy of which I have now in my possession.

1626. Is that included in your general report on the working of the new system?—It is; on the 23rd August last.

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1627. And what you have repeated is what you think on the subject?—It is.
1628. Would that secure all the traffic?—I believe it would.
1629. How would that please Dunedin and Invercargill?—Dunedin would be still much lower. The merchants in Invercargill wish to be absolutely placed on the same footing as Dunedin merchants.
1630. About this case of O'Toole, did he leave the service absolutely at the time you requested him to resign?—He did.
1631. He was absolutely away from the service?—He was, for about a week.
1632. Then he was reinstated on Mr. Conyers's approval?—He was.
1633. Do you say the increase to the office he holds will be this year?—The present salary is £150. The increase recommended has not yet been passed, but is applicable to present financial year.
1634. And that I understand you recommended irrespective altogether of the officer?—Quite; it was in view of the increase of work that would accrue.
1635. Had officers in your department got any regular steady system of promotion. Do they move up gradually?—They do.
1636. That is adhered to?—In as far as practicable.
1637. Mr. Larnach.] I think I understood you to answer the question of the Minister for Public Works that the principal timber trade of Invercargill was about sixty miles from port?—Not the principal trade; there are five mills between Invercargill and Winton, and five between the Bluff and Invercargill.
1638. You know Seaward Bush?—I do. It is nearly thirty miles long by eleven broad.
1639. Do you know that there are several tramways running through that bush, some of them with iron rails?—I am not aware of there being iron-rail tramways.
1640. Why, in your opinion, for a longer mileage should the timber be carried at a reduced rate *pro rata*?—To enable other mills to engage in the shipping traffic. Mills near the port have their timber carried at from 6d. to 8d. per 100 feet.
1641. What do you call near the port?—Within fifteen or sixteen miles. Over twelve miles it is carried at $\frac{1}{2}$ d. per 100 feet per mile. Sixpence is the minimum rate—that is, a saw-mill twelve miles from port can have it carried for 6d.; over twelve miles it is a $\frac{1}{2}$ d. per 100 feet per mile.
1642. You recommend a reduction of a $\frac{1}{4}$ d. over thirty miles?—Yes.
1643. That is, from twelve to thirty miles, there would be another 8d. between the twelve and thirty—or 9d. rather. That would be 15d. a hundred for thirty miles?—Yes.
1644. Over thirty miles, you suggest it should be carried at a $\frac{1}{4}$ d.?—I do.
1645. Up to what distance?—Any distance over thirty miles.
1646. Your recommendation is that the rate should continue at a $\frac{1}{2}$ d. per 100 feet per mile over twelve and up to thirty miles, and over thirty miles a $\frac{1}{4}$ d.?—It is.
1647. Your only reason for that suggestion is to induce traffic?—To induce traffic, and foster the trade of the port.
1648. Would it not induce traffic if the reduction were made between twelve and thirty miles?—I could not recommend a further reduction. I do not think it pays more than the wear and tear at the present time.
1649. Would it or would it not?—I do not think it would. I think the freight on timber within twelve miles is sufficiently low.
1650. Are you aware whether some mills in the Seaward Bush locality have been compelled to stop because the price, coupled with the freight, would not pay millers?—I am not aware of it.
1651. Are you not aware that one miller has already called a meeting of his creditors or made some arrangement with his creditors?—I am aware that one has, but cannot attribute his failure to the rate of railway freight on timber. It is more in connection with the timber market in general than the rate of freight between the mill and the port. Shall I read my report to the Superintending Engineer, Constructed Railways, *re* the general working of the new tariff?
The Chairman.] You may append it. [See Appendix D.]

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THURSDAY, 13TH SEPTEMBER, 1877.

Hon. Mr. ORMOND, Minister for Public Works, examined.

1652. *The Chairman.*] The first question I should like to ask you, Mr. Ormond, is this: Do you think that if a person with a general knowledge of railways, and of a good business capacity, were made Commissioner of Railways, it would be a more satisfactory mode of conducting the railways than the present system you have of having a Constructing Engineer?—Do I understand that the question has reference to the traffic part of the business?
1653. I mean the traffic and general management of the lines. You will require to have a man for the permanent way all over the country; but I speak now of something like the same system as obtains in Queensland, New South Wales, and Victoria, where they have a Commissioner who lives at the centre, and through whom all communications to the Minister go from all the Managers?—I would answer that question in this way: That this general question of the best mode of management of the railways has been one that has given me, as Minister, very great and serious consideration; that the system which I found in operation when I came into office was that the Engineer-in-Chief was the head of the whole department; that his position was nominal as regards the traffic business—that is to say, he was merely the medium of communication as far as regards the traffic, but that he was the head as regarded all the construction business and the management of the permanent way and plant; that under him there were two Superintending Engineers, who managed and really had the charge of the traffic—Mr. Conyers over certain railways, and Mr. Passmore over what were known as the Northern railways, which included the small railways in the Middle Island. Mr. Conyers, in my opinion, now is the real Manager of all the traffic business over the Canterbury and Otago railways. There are some alterations since I have been in office as to the questions which are dealt with

by him. By law, he has to get approval for alterations in rates before they can take effect. The law prescribes that the charges on the railways can only be altered in a particular way by the Minister, and he submits any alterations in this way to the Minister he thinks desirable. I have found it necessary to have also sent for approval all alterations in appointments, and that is to a certain extent an alteration in what was the practice before. That does not apply to the workmen on the lines—it applies to the permanent staff in the offices. I took that course in consequence of having complaints reaching me, as Minister, from places both in the North and South Islands, of what were alleged to be injustices on the part of officers employed in the department. But generally, I should say, Mr. Conyers over the Middle Island lines has the absolute management of the traffic business, and that his recommendations on any subject are listened to and attended to at once. I have had in consideration, and I have still in consideration, and wish to arrange so that he may be relieved of a great deal of the office-work, which he has himself told me occupies too much of his time. I have no doubt that can be easily effected, and his time made free in that respect. Then, with regard to the North Island lines, including the small lines of the Middle Island, I found that Mr. Passmore held the same position regarding these as Mr. Conyers to the others; and, as you are aware, all these lines are short distances comparatively, and the traffic nothing like as much, or requiring the same attention, as on the Middle Island lines. There was a Commission who reported upon the Auckland lines some time ago. The main thing they urged was more direct local control. I thought this over, and determined it is desirable to give more local control than has been the custom to the officers in charge of different lines. It then occurred to me that the way to do that would be to dispense with the services of the officer who was the Superintending Traffic Engineer for these lines. I also saw this: that in all these lines in the North the construction was going on, and they were being extended, in some cases short pieces, with construction going on upon them, and the Superintending Engineer for Construction visited—as I saw—these lines at the same time as Mr. Passmore, and thus we had two officers going at an expense to the colony over these lines. The work which Mr. Passmore had to do principally was to see to the permanent way and locomotives. I found that the Superintending Engineer for Construction was equally capable of directing that part of the business, and I accordingly inquired into the engagement with Mr. Passmore, and found he could have notice given him. I gave notice accordingly, with a view to having the Superintending Engineer for Construction taking charge of the permanent way over these lines and the locomotives, and with the view of giving the local Managers more direct control than previously.

1654. Was that by the advice of Mr. Carruthers?—No; it was entirely on my own opinion, and against the Engineer-in-Chief's recommendation. He was very strongly of opinion that the old system should be retained.

1655. You have not yet answered my question?—I was going on to that. What I have said is explanatory. Now, I said at the commencement that this general question of how best to manage the traffic part of the business is one that has given me very great thought, and I do think that it is desirable (if we have or we can get the right man) to have an officer who should be in charge of the whole of the traffic business of the colony.

1656. *Mr. Stevens.*] In both Islands?—In both Islands. I think one officer should have that position for both Islands. I do not think it necessary to have one for each Island, because he would have to be one who would be the director from a centre, and in my opinion he could direct as well from one part of the colony as another, as well as do for both Islands. What I mean is this: it would not be for him to attend to the detail work as to railways. I mean a man who can have charge and properly advise the Government about the tariffs and the whole railway management. There is a difficulty of finding a person suitable for that position.

1657. *The Chairman.*] I think you stated just now that Mr. Conyers only appoints the clerks in the office and the labouring men?—He appoints and dismisses; does as he likes with all classes of labour.

1658. Does that include the locomotive engine-drivers?—Yes.

1659. Stationmasters?—No; not the Stationmasters or the ticket clerks. He does not appoint or dismiss all the regular staff in the office.

1660. You mean those whose salaries are voted by the House?—Yes.

1661. He cannot touch them?—Yes; he deals with all classes of labour, and I have refused to entertain applications from engine-drivers whose services have been dispensed with. I have been obliged to say that we must trust to the Manager. With regard to the clerks and Stationmasters, what I understand Mr. Conyers' position to be is this: he appoints. If he wanted a Stationmaster to proceed from one point to another, he would at once do so; and all he has to do is to report that he has sent So-and-so to So-and-so, and recommends the appointment to be confirmed, and it is done as a matter of course.

1662. Does that go to the Engineer-in-Chief, and require his approval?—It nominally is addressed to him. He may see some of them.

1663. Is it not a fact that in ninety-nine cases out of a hundred Mr. Carruthers or Mr. Maxwell examines the papers and makes minutes?—Yes.

1664. Therefore everything goes through that office before you see it?—Necessarily so. They are simply the channel through which these papers come.

1665. Do they make their remarks upon them?—Yes; it is Mr. Maxwell generally, and not the Engineer-in-Chief, who notes these papers.

1666. Is Mr. Maxwell connected with the construction of railways?—With regard to the accounts and correspondence with the Engineer's staff he has a good deal to do.

1667. Then our railways are managed by the Constructing Engineers?—No. Generally Mr. Maxwell or Mr. Carruthers put on the words, "Recommendation of Mr. Conyers for approval." If they knew of anything adverse to those recommendations, they would put it on the papers.

1668. They are part of the machinery?—Yes, they are part of the machinery.

1669. Superior to Mr. Conyers?—Mr. Carruthers, as I said before, is nominally the head of the

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whole railway management, but interferes little as regards the traffic. Mr. Carruthers would not have anything to do at all with the management of the traffic. For instance, with regard to the time-tables Mr. Carruthers would have nothing to do. If a recommendation came up from Mr. Conyers, it would simply be for approval.

1670. Mr. Conyers could not have £50 worth of work done out of earnings, and then report it? Would he not have to get the consent of the Engineer-in-Chief?—I do not think he would. He would do it out of earnings, and send it on for approval. If out of loan, he would apply. If it were a large matter—for instance, as to the alteration of gauge—he would apply. He reports that it will cost so-and-so, and asks to have it carried out.

1671. Do you find that the Engineer-in-Chief has enough to do to attend to the construction?—Yes; I think he has got his time very fully occupied.

1672. And therefore any time he devotes to the management of constructed railways interferes with his other work?—Yes, it is undesirable.

1673. Will you tell us the position of Mr. Higginson and Mr. Knorpp?—They are what are called the Superintending Engineers under the Engineer-in-Chief. Their business is to go about over the lines and see all the works. Until lately they had nothing to do with constructed railways. Mr. Knorpp is on the North Island lines, and is responsible for the permanent way and locomotive branch in addition to construction work; and, as I said before, it does not impose any great deal more work upon him. When he travels he sees that the permanent way is kept up. Mr. Higginson has charge of construction of the Canterbury and Otago railways. He has also charge of permanent way and locomotives on the little lines where Mr. Conyers does not extend.

1674. Then Mr. Higginson's business is to attend to Westland, Marlborough, and Nelson?—Yes; and of course the construction going on in the Southern Island.

1675. Have you Constructing Engineers besides?—District Engineers. There is one for each important piece of work going on.

1676. Have you got also on the constructed lines civil engineers looking after the permanent way?—Yes; there is a multiplicity of work which they have to do.

1677. And then in the South Island we have Mr. Higginson for lines being constructed, and Mr. Conyers over these District Engineers again?—Yes, he would be over the men on the constructed parts: like Mr. Lowe, for instance.

1678. Mr. Lowe is under Mr. Conyers?—Yes.

1679. Then in the North Island you have no District Engineers?—Yes, we have an officer in charge; for instance, Mr. Stewart, at Auckland. It depends entirely on the amount of work going on.

1680. You said Mr. Passmore was dismissed, because Mr. Knorpp in visiting the lines being constructed, passed over those constructed?—And, therefore, no cause for both officers.

1681. Who looks after the goods and passenger traffic?—The different local Managers.

1682. And do they report to the Engineer-in-Chief?—They carry out the regulations. The Engineer-in-Chief is virtually the head. This question about Mr. Passmore has only recently happened. I look upon this as quite a tentative state of things for the present. My wish is to give the local men sufficient power to manage those local lines.

1683. You say you found that your predecessor had left Mr. Carruthers as manager?—I do not think he was in a different position to what he is now.

1684. How is it that Mr. Conyers is called the Superintending Engineer? Is it because they want to make him inferior to Mr. Carruthers, or Mr. Carruthers inferior to him?—I cannot say why that particular term was picked out. Mr. Carruthers is the head, but I think Superintending Engineer is not the best name that could be given Mr. Conyers.

1685. I think I understood you to say that you regard this present arrangement only as tentative?—Yes.

1686. And I understood you to say that you think a person ought to be appointed General Manager, like Mr. Conyers, if you could only find him?—That is the direction my convictions have taken. You must have somebody at the head.

1687. In the nature of a Commissioner?—Yes. As far as I see, it is very difficult to find such a man.

1688. You do not regard it as necessary that he should be a civil engineer alone?—No; I do not think so.

1689. Is it not the case that you are now carrying two guards on the lines in the North?—No; not two. On the North Island lines the traffic is of a very different class to that at Canterbury. On the Napier line, for instance, the traffic is comparatively small. There is a guard, and a man travels and does the loading and unloading at the various stations they pass where there are only sentry boxes, and no Stationmasters.

1690. What does the guard do?—Helps too.

1691. There are no Stationmasters?—Yes, at places; but there are places without Stationmasters where they put things out.

1692. Do you think it absolutely necessary that this man should go with the trains?—Yes; these men have plenty of work.

1693. Are you aware that Mr. Conyers has stated they are simply superfluous, and not required?—Yes, I have heard him give that evidence in respect to the Southern railways.

1694. Are you not aware that on the Canterbury and Otago lines there are stations, the same as in the North, where there are no Stationmasters, and even parcels and goods left without carrying a man to do it?—I believe there are, but I do not know how they do it, unless they have people to attend to it.

1695. You are aware there are ticket-vendors appointed. Were they appointed with your sanction?—No. The whole thing was a misconception altogether by the officers who appointed them. I do not think the instructions at all justified their appointing them.

1696. Did the instructions go from Mr. Carruthers?—Yes.

1697. Have you seen the papers where Mr. Conyers positively protested against appointing them?—I do not remember that he did that. I admit that in the general instructions there was this indication about a second man for the brake. This was taken to mean, as I understand, by the officers down South, that there was to be a second guard to the train; upon that a large number were appointed.

1698. By whom?—By the officers down there.

1699. Without consulting you?—Yes. The first I heard of it was when Mr. Richardson came to Wellington. He asked me if I knew of these appointments. I said No; it could not be so. I made inquiry, and found it was.

1700. And gave orders for its being changed at once?—I did.

1701. Was that order obeyed?—No; by press of work, it was a couple of weeks before it was acted on.

1702. Are you aware that, instead of your orders being carried out, they were simply called by another name, and assigned other duties?—The minute I put on my papers was this: That these appointments of persons to be ticket collectors, appeared to be entirely unrequired by the instructions; and I said I supposed porters travelled to do the work of loading and unloading at stations, and those persons should assist at the brake. The instruction was to strike off all men who were ticket clerks. That order was accidentally delayed in my office. There was a negligence about it.

1703. Did you hear Mr. Conyers say that when he got instructions he protested against it, being an extra and useless expense?—What I thought he said was this, that he protested against the necessity of a second man with the train.

1704. If Mr. Conyers stated he protested against the appointments as a useless expense, I suppose you would think it was so, would you not?—Yes; if the papers had come to me, I should have agreed with him. About the appointment of officers by the Superintending Engineers, I should like to add this to what I have already said, that I still think it is necessary and desirable that the Minister should keep in his own hands the approval of these appointments. At the same time, I say the head officer's recommendation would always be given effect to, unless good reasons were given for its not being supported; and, in connection with that subject, I think it is necessary (and I mean to have it carried out on the railways) that there should be a regular system of promotion throughout the department, so that it will not be left to the officers to leave one man behind, who may be a good public servant, and allow another to go over his head. This must be done, of course, with regard to qualifications. I think the department wants organizing, and it will never be efficient until employes know they have a regular chance of promotion. It has not been so in the past, in my opinion.

1705. In the expenditure on the Auckland and Mercer line, I want to ask you whether any proportion of the expenses of the workshops in Auckland were charged to that line?—Not in the buildings, or supplying them with tools, and so on. That will come out of loan.

1706. But the work done?—All repair-work done ought to be charged.

1707. The workshops in Auckland, then, are not part and parcel of the Auckland and Mercer Railway?—Yes.

1708. Is their prime cost included in the cost shown?—Yes; the whole of the rolling-stock is apportioned to the different railways.

1709. Do the Auckland workshops repair for any other railway?—It takes in the whole length from Kaipara to Puniu. I should say that was one of the things which engaged a great deal of Mr. Passmore's attention, to put nothing on constructed that ought to be on construction.

1710. I should like to ask, has anything been done relative to the charge on goods at country stations after twelve hours?—An instruction has been given that the regulation with regard to the charge on goods after twelve hours at the country stations is not to be rigidly enforced, unless there is a pressure of work and the sheds are full. I am quite aware that a great deal of inconvenience has been caused by these small Stationmasters rigidly enforcing the regulation. It is difficult to get some of them to understand these matters.

1711. Have you done anything about the East Oxford petition, which was laid on the table of the House?—I think some alteration has been ordered. I made inquiry, and I think I approved of some alteration.

1712. Have you arranged with regard to the carrying of stock between Rangiora and Ashley Bank?—We have generally approved of new regulations for the carrying of stock.

1713. This is a new thing which I refer to?—There has been no special arrangement made.

1714. Will you tell the Committee whether you will undertake to look into the matter and see if any special arrangement could be made?—I had proposed postponing doing anything with the tariff question until the session is over. It is a very large matter. I found, in some cases, that it was necessary to deal with them at once, and I did so. I do intend to take the whole question up and give attention to it.

1715. Can you tell me anything about that large new store built on the Gladstone Pier in Lyttelton—by whom it was designed and built?—It was built before my time. I fancy by the railway authorities.

1716. Was it the Engineer-in-Chief who designed it, and the General Government who built it?—I think so.

1717. Did not the Harbour Board authorities make a demand upon the General Government for rent. Do they not claim it?—A question arose between the Harbour Board and the General Government about that store. The Harbour Board claimed it just before the grain season.

1718. They claim rent?—They said that would be a proper solution.

1719. Do you not think that, having been built by the General Government, it belongs to the General Government, and should not be handed over as an asset or means of profit to the Harbour Board?—Now I come to recollect, the store was built prior to our taking over the lines, and it has been valued with the Canterbury railways.

1720. Do you think that store is being used by the railway?—It is sure to be used. I have had before me accounts of things that have been put into it.

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1721. *Mr. Stevens.*] I do not know whether you will feel yourself at liberty to answer some of the questions I am going to put to you. I understood you to say that you thought that before long the constructed railways, as far as management was concerned, would have to be separated?—I said I thought it would be desirable.

1722. And, as I understood, that a Commissioner should be appointed, if a suitable person could be found to take it?—I think myself that is what will be necessary.

1723. I also understood that he was not to be an engineer as a matter of necessity?—I do not see the necessity of his being an engineer.

1724. Assuming that to be done, he would have the charge of the maintenance of the permanent way and the construction of station buildings from time to time as may be required, and similar undertakings?—Of course, the engineering department would necessarily, if the Traffic Manager's business was only traffic, have to look after the other part.

1725. What I want to get at is, what you consider should be the scope of the duties of the Commissioner?—Traffic.

1726. In fact, a general traffic manager for the whole colony?—Yes.

1727. Then the construction, I apprehend, would remain pretty much as at present?—Yes; the construction would remain as it is now. I cannot see any necessity for improvement.

1728. I do not know whether you are at liberty to answer this question. Do you think, in view of the great extent of the railways in this colony in the course of a few years, that the superior duties can be performed by one Minister; or whether it would be better to have two departments, one for the management of the constructed lines, and the other for the management of the public works of the colony generally?—If the system were maintained as at present, it would be absolutely necessary to have a ministerial division.

1729. Two portfolios in fact?—Yes; I do not hesitate in answering this question. In my opinion there is a great deal more work thrown on the Minister than it is desirable should be thrown on him. I will explain now with reference to the tariff and things of this kind. I just take the present position of things. I shall not refer to the Commission at any length, but there was a Commission appointed on which there were the railway experts, and these experts adopted a certain tariff which they advised should come into force all over the colony. Every one of the Committee knows what has been the outcome of that tariff. It was recommended by the only experts the Government had to depend upon. No end of things were found which had to be remedied. There were grave mistakes, and numbers had to be remedied. To a certain extent the work of doing that has been thrown upon the Minister, and I hold it is not a proper thing for work of that character to devolve on the Minister.

1730. Have you ever considered the question of placing the management of constructed railways into a Commission in each Island (I mean in view of their probable extent), in preference to placing them in the hands of one central Commissioner?—Yes, I have thought of it; but I do not see how it is possible, with the Government we have in this colony, to give the power which would have to be given to what would then be a comparatively irresponsible Commission. I should think it preferable to have an efficient Commissioner of Railways responsible and under the Minister. I do not see myself how things could work in the other case. It would lead to collision between the Minister and the Commission.

1731. With reference to the position of Mr. Conyers in the Middle Island, are any except locomotive engineers responsible to him?—No. Of course, the officers in charge of the permanent way would act through him.

1732. Would the Engineer-in-Chief supervise through him the whole of that?—Yes; the Engineer-in-Chief would exercise a control.

1733. Would officers like Mr. Williams, for instance, or any other District Engineer, take their orders from Mr. Conyers?—No. Mr. Williams is for construction works. Ordinary work would be done directly by Mr. Conyers. If it were any very important work, they would send up their recommendation upon it to the Engineer-in-Chief.

1734. Would you be able to give us the main reductions that have been made?—The first question upon which any great error in the tariff was discovered was with reference to flour, which was put into one of the higher classes, the effect of which would have been to shut up all the country mills in the colony, as they could not have competed with the town mills. Flour was immediately reduced; and put nearly on the same par as grain. The charge on minerals generally was reduced, and there was a general reduction on coal. There was a reduction on timber generally through the colony. All these things do not apply to Canterbury only; I am talking now of the colony as a whole.

1735. Stock?—Stock were maintained. The rates that came into force on the 1st July were, I think, generally in excess of rates formerly ruling, except in the case of Otago, where they were exceptionally high.

1736. Have they been modified?—Yes, all over the colony. They are now a trifle over the old Canterbury rates.

1737. You intend to modify the tariff as soon as the House rises?—In the last *Gazette* a good many things that have been most complained of were dealt with. Tallow and preserved meats were put lower; stock attended to; agricultural produce was put in a lower class; hay, straw, and chaff, and those things, reduced, and other things which I cannot recollect at this moment.

1738. Sugar, and beer in bulk?—Beer has been reduced; sugar has not been altered.

1739. And I think you said that you intended to review the tariff as soon as you have an opportunity?—Yes. The Committee would, perhaps, like me to say what I find on inquiry has been the outcome of the tariff. I have not had time to go into the subject, but on the Canterbury railways, as far as I have been able to work it out, I think that for a certain amount of tonnage carried on these lines we are losing money as compared with the old rates—in other words, that under the present tariff the charges are lower, taking them all over, than under the old tariff. Say we carry 30,000 tons, we do not get now the same return as we should under the old Canterbury rates, and it is a very serious matter. I have not gone into it sufficiently to explain it, but the loss on the Lyttelton and Christchurch portion of the line is from £12,000 to £15,000 a year.

1740. As regards the question of wagons, which I understand are in fact ordered to be provided for the next grain season, do you remember Mr. Lawson's evidence on that question?—Yes.

1741. Do you generally agree with that evidence?—The subject is one on which I can only give my opinion, not founded on any experience; but what I should say is that Mr. Lawson's evidence is at variance with the other evidence I have had at my disposal.

1742. Do you agree with Mr. Conyer's evidence?—As far as I remember, yes, and the other officers whose opinion you asked. I should further say that I think Mr. Lawson's opinion was not a sound one. I have arrived at the conclusion that it is not a sound opinion.

1743. The question was raised yesterday in the Legislative Council as to the pulling up of the broad-gauge lines, and thereby throwing out of employment a certain number of broad-gauge trucks, the inference being that the value of the use of those trucks would be lost, and we should be so much the worse off?—So far as I am advised, instead of being a loss, the railway could, with the stock it has, do more work than if it had a division of gauge, and those trucks at work. I am told that the narrow gauge could, with its present stock, get through in the busy season more work than it could with the broad-gauge plant and the narrow-gauge plant working together. The opinion expressed by Mr. Conyers and Mr. Carruthers was that nearly one-third more work could be done without the break of gauge.

1744. I believe 300 wagons have been ordered from England?—More.

1745. When will they arrive?—They were ordered by telegram at the beginning of July, and the order was urgent for the wheels and axles to be sent out at once.

1746. Will they arrive before the 1st of January?—The Agent-General is directed to have them in the colony by the end of December.

1747. How long will it take to get them up in the colony?—Steps were taken at the same time to obtain in the colony a supply of timber for wagons. A good deal of it has been got from Auckland. As soon as we are advised, which we shall probably be by next mail, of these wheels and axles being on their way, we shall call for tenders in advance. As far as possible, I have endeavoured to arrange so that these wagons will be constructed and ready at all events by the 1st of March. These have been my instructions in the matter. There are more than 300 wagons; 300 was the first order. An order also went for fifty, and we are getting up in the colony as many as we have spare wheels and axles to devote to the purpose. I think that probably seventy or eighty more will be got.

1748. I want to ask you a question about leasing the lines. Do you believe that lines on any extensive scale could be leased without involving the colony in complications as regards extensions of these lines and the working?—My opinion is that generally the colony will not find it advisable to lease her railways. I do think there would be considerable complication, especially when, as we shall for many years to come, have to connect feeders with our railways.

1749. On the question of leasing, would you state what you think would be a judicious thing to do?—I have said to the House that the Government propose to try an experiment by leasing one of their lines in the colony. We have selected the Auckland to Waikato line, which will be a fair instance and will not interfere with the general system in the colony.

1750. On the question of depreciation, is there a large amount of depreciation represented in the annual Estimates now before the House—I mean in the way of maintenance?—I should say that the depreciation has not yet come to account, if I may so put it. The lines have not been completed long enough to require depreciation to be provided for in the Estimates. I ought also to say, in justification of the Engineer-in-Chief, that he has strongly expressed his opinion that a depreciation fund ought to be established, but the Government have not considered that desirable yet.

1751. Did you observe that Mr. Carruthers stated, in answer to myself, that the depreciation in his opinion should begin after about two years of the opening of constructed lines?—I do not remember his saying that.

1752. Do you know that Mr. Conyers expressed the opinion that we should begin at once?—I should have thought, if I had heard that evidence, that they thought provision ought to be made in advance. I can scarcely see that on the estimates themselves you would have to provide in a year or two years for depreciation.

1753. Is there a depreciation now going on in permanent way and rolling-stock not provided for now?—No doubt of that.

1754. I should like to ask what is your opinion as to provision for accidents which may occur on the lines. First, in regard to passengers, is there any provision for compensation?—I believe, so far as I know, that the Government is responsible like any other public carrier. That is my opinion only.

1755. As regards accidents which may occur to employes on the railways, of course not caused by their own negligence, are you of opinion that provision should be made for meeting those cases?—Yes. For any cases that have come under our notice we have made special provision.

1756. Do you think it would be good for the public service if regular provision were made?—Yes, it would be better if there were some special fund, or a society formed of the people themselves.

1757. Did you notice that steel rails some months ago were being sold at £7 10s.?—I cannot name the exact amount, but I had it brought to my notice, I think just before the session, or at the time the session commenced, in a report sent out by the Agent-General. It contains the opinions as well of the consulting engineers at Home upon the subject of steel rails.

1758. Was it favourable?—Their report was favourable, and that matter has been under consideration since. I have not taken action in the way of generally approving of it.

1759. Have any rails been ordered since?—Yes, some have been ordered since; but the ordinary rails are not steel. Steel rails have been ordered for points and sidings. When this letter of the Agent-General came, I referred the whole matter to the Engineer-in-Chief for his recommendation. Generally, his recommendation was that for the present we should not get steel rails.

1760. Is the Government at present being professionally advised in London in the matter of the purchase of railway material?—The whole is purchased under very careful supervision indeed; and I am bound to say that the detailed reports manifest the attention which is paid, and show that they

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must do their work thoroughly. For instance, there is a special officer who passes all rails and other material, and gives a sort of diary of what he does.

1761. Who is acting?—Mr. Hemans has lately been appointed. Up to a short time ago Messrs. Hemans and Bruce were acting together for the colony. That arrangement came to an end about two months ago. The Agent-General represented to the Government the whole position of the matter, and it appeared that at the first starting of the public works Messrs. Hemans were the firm that acted for the Government. Then it was thought desirable to associate another firm with them. Mr. Bruce was supposed to be the head in that line. The commission had to be increased then; but Sir Julius Vogel represented to the Government that, although we had two Inspecting Engineers, yet practically we had only one, as Bruce's house was doing all the work, and the other simply signing their names. We telegraphed to him to offer the business to Mr. Bruce, at little more than half the commission. Mr. Bruce declined, and Mr. Hemans has since accepted.

1762. What was the commission?— $1\frac{1}{2}$ at first, and when the two were employed it was $2\frac{1}{2}$ or $2\frac{1}{4}$ —I am not sure which.

1763. And now?—And now it has reverted again to $1\frac{1}{2}$ or $1\frac{3}{4}$. I shall look to refresh my memory on that point.

1764. *Mr. Larnach.*] You are the Minister for Railways?—Minister for Public Works.

1765. The railways are practically part of the work?—Yes.

1766. How long have you been in office?—Since January last.

1767. In what state did you find the Railway Department, efficient or otherwise?—I found it efficient, pretty much as it is now.

1768. Will you state what changes, if any, you have made since assuming office, in the Railway Department? Bear in mind that the questions I am putting are merely for the information of the Committee?—I do not know that any changes have been made except those I have already stated in evidence; for instance, the change with respect to Superintending Engineers taking over the part of the constructed railways business. Of course, since I took office, we have established this uniform tariff.

1769. You have made no radical changes?—No.

1770. Did you think the department, generally, was over or under-officered?—I do not think the construction is over-officered. In fact, I know that the officers are very fully occupied; and, turning my attention to that subject, I looked into the department to see what economy could be practised, and it resulted in what I have already told the Committee—that we could get rid of one of the Superintending Engineers, and we gave Mr. Passmore notice that his services would be dispensed with.

1771. Do you think the salaries paid to officers of the department a fair emolument, or above or below what is fair?—I do not think they are too highly paid; when we contrast the pay we give to our principal officers with the sums paid for private work in the colony, they are not paid highly at all.

1772. Do you think they are fairly paid?—My own opinion is that it is the business of the colony to get its work done as economically as it can. As far as I can judge, the officers are satisfied with their remuneration. I do not know whether the principal officers are very much satisfied at the action I have taken as Minister, in stopping, practically, the privilege of private work.

1773. As Minister for Public Works, will you kindly explain to the Committee what part you have with the supervision and practical management of the railways?—I have to approve everything that is undertaken in the way of construction.

1774. Does the Engineer-in-Chief take upon himself to sanction anything?—No; I have to sanction everything. I get the recommendations of the officers for construction through the Engineer-in-Chief, and act upon them.

1775. Do all the abstracts come before you periodically?—They used to. There is a change now in the system. As a rule, it would be impossible for the Minister to go through the abstracts. All he has to be satisfied about is that the officers assure him the payments are in compliance with his orders. Any payment would be stopped at once in going through the Audit and Treasury, unless it was under authority.

1776. Then, with regard to receipts and so forth, I presume they are reported to you periodically?—Every month the returns are laid before me.

1777. So that you can carry in your mind pretty well if any marked difference occurred between one month and another?—I should do so, and make inquiry at once as to the cause.

1778. Will you state how many civil engineers, including the Engineer-in-Chief, there are at present salaried officers of the Railway Department, what duties appertain to each, and what salary each gets?—I could not answer that right off.

1779. Can you state how many civil engineers, including the Engineer-in-Chief, are at present salaried officers of the department?—No; I could get you the information.

1780. Has either officer permission to accept private practice; or would you agree to or tolerate any officer who did not give his whole time to the duties under Government?—There are certain officers in the Public Works Department who, by the terms of their engagement, were entitled to private practice, subject to the approval of the Minister in each case—these were the terms on which they were engaged. The Engineer-in-Chief, the two Superintending Engineers, Mr. Blackett, Assistant Engineer-in-Chief, the late Colonial Architect, and, I think, Mr. Blair in Otago, has a similar right. Those are the only cases I know of. They have not very largely availed themselves of this privilege. This subject has been very carefully considered by myself and the Government; and since I have been in office, I think some three or four months ago, I communicated with the Engineer-in-Chief, and represented to him that I thought it undesirable this practice should continue, and pushed the officers to voluntarily give it up. They have not responded to that by giving it up; they seemed to think there was no reason to give up the privilege to which their engagements entitle them. I requested the Engineer-in-Chief to acquaint the other officers that on any future application coming to me I should refuse it. I have acted on that.

1781. In such a case, I presume it would not be a breach of faith on the part of the Minister for Public Works to give notice that after a certain date private practice would not be allowed?—I do not think that was necessary. I had the power in my own hands, and exercised it.

1782. Do I understand that none of them have private practice now?—I think not. I should not interfere with anything they had in hand.

1783. You say you are of opinion that none of those officers availed themselves largely of this privilege?—Yes.

1784. Are you aware how far any of those officers have availed themselves of it?—I know, for instance, that the Engineer-in-Chief was the advising or consulting engineer to the Christchurch Drainage Board.

1785. Would you be surprised to know that one officer had perhaps received altogether within a moderate time some £1,500?—I know that he has. You are referring now to the Engineer-in-Chief.

1786. Or that another officer had received nearly £1,000?—I do not know in the other case.

1787. You are aware that one had received not less than £1,500?—Yes. What I meant was they did not take up work that took up a great deal of their time. It was to the time, not the pay, that I referred. As the Engineer-in-Chief's name has been mentioned, I may say he resigned voluntarily his position as consulting engineer to the Drainage Board.

1788. You do not approve of the principle?—No; but undoubtedly they lose emolument.

1789. Do you think that private practice has injured the public service in any way?—I am not aware that it has.

1790. You are in favour of having a practical General Manager for the colony?—I believe the railways are getting so extensive that such management has become necessary.

1791. Considering the nature of the insular separation that belongs to the two Islands, and the rapid extension of the railways, would it not be prudent, to facilitate and insure the proper conduct of the railways, that a General Manager should be appointed for each Island?—I do not think so. I think, if we get a suitable man, he would be able to direct the traffic business in both Islands. On the North Island lines the business is very small. One thoroughly efficient man could direct the traffic business on the railways of both Islands.

1792. If there were only one practical manager at a certain place, and a case of urgency arose requiring his attendance somewhere else, it might be a couple of days or more before he could get to where his attendance was required?—I do not think those cases of urgency are likely to arise. The railways will go on like machinery if we get our men well directed. My opinion, as now given to the Committee, applies to our present necessities—what is wanted at the present time.

1793. Would you kindly state what orders, if any, are now *in transitu* to Britain and other places for railway and other material; I mean that are not delivered?—They are very limited. All I remember is that there are some five or six locomotives ordered, and I think some rails for the Western railways. They were ordered, I think, about six weeks or two months ago. That is the last order.

1794. Do you remember what value of rails?—Not to any large extent. There was a fair order for rails sent Home just before the session.

1795. To what amount?—About forty miles of rails were ordered.

1796. You do not know what they would come to?—Not off hand.

1797. Presuming tenders had been called for supplying the public works in the colony with those rails, would they not be likely to have been delivered cheaper to the Government?—It is a subject I have not considered, but I should say not. At present we get all the advantages that persons in business would get, or rather more. We get the allowance which a very large purchaser would get, and the proportionate charge of the Agent-General's office would be very small indeed in proportion to the cost of this material. The supervision of these things and the getting them first-class is a great requisite, and that is insured also.

1798. May I ask if it is your intention in the future not to import any more plant or material, but to call for tenders in this colony for everything requisite?—So far as they can be procured with advantage in the colony. I should think it right to import if cost in the colony was largely in excess of Home rates, or if, by the experience of other countries, we saw they could not be produced equally good.

1799. Do you not think it would be worth a trial to throw the responsibility upon responsible people in the colony?—I should like to take evidence on the subject before giving an opinion about the importation of railway plant. It is quite a new idea to me. Generally, with regard to rolling-stock and the material that has been hitherto imported by the Government, the Government, as I yesterday said in the House, is taking steps to get in a position to call for tenders in the colony. I have called on the Engineers to supply me with an estimate of the probable rolling-stock required in the colony for the next two or three years; and my object in doing that was to call for tenders for the supply of those articles to see how far the tenders could be availed of, and how far the firms that were ready to enter into this business could provide themselves with the parts they would have to get at Home, to supply at intervals of twelve months, eighteen months, two years, and so on, different kinds of vehicles. That estimate is not yet in my hands, but as soon as it is, tenders will be called for.

1800. Are you personally acquainted, or have you taken steps to be so, with the manufacturing capabilities of the principal factories in the chief cities of the colony?—I have no large experience in the matter.

1801. You have had no reports?—No. Of course I know they are capable of turning out a great deal of material. I was going to say, with regard to the manufacture of these things in the colony, that probably a month or six weeks ago an offer came up from one of your largest firms in Dunedin for supplying wagons. I forget the name of the firm. Mr. George McLean told me it was one of the largest firms. I think it was Sparrow. He offered to supply 100 wagons, naming a certain price, and saying that he believed that was about 10 per cent. above what we returned as the price when imported by ourselves. I had this question asked him, "What parts would you import?" The answer was, "Of course we should import the wheels and axles." That and the other iron-work for the wagons is all the Government imports now.

1802. A travelling Inspector has been appointed?—In connection with the audit, yes.

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1803. By whom was the appointment made?—By the Colonial Secretary, in connection with the Audit Department.

1804. On the recommendation of the Colonial Auditors or Commissioners of Audit?—Yes. As far as I remember there are five of these travelling Auditors, of whom two or three were in the Middle Island; and there were two new officers employed. All have been in the public service, I believe, for a considerable time, as far as I know.

1805. And these officers have not been appointed by your sanction?—I have nothing to do with the auditing of the railway accounts. I look upon travelling audit as an essential part of the system.

1806. Have not the Commissioners of Audit time to overtake the duties there?—The duty of the travelling Auditors is to continually go round and take the stock of all Stationmasters, to see that their books are right, and everything else. They see whether everything is right or wrong.

1807. I thought those duties would appertain to the Commissioners of Audit?—They are under the Commissioners of Audit. I think it is the best principle.

1808. In letting contracts for formation of railways under the Public Works Act, it is usual to have a deposit from each tenderer?—Yes.

1809. Do you remember the amount of the deposit?—Five per cent, I think. I am not quite clear on the point.

1810. It is usual to accept the lowest tender?—Yes, unless there is a very serious objection against the tenderer.

1811. If the lowest is the successful tenderer, is his position looked into?—Yes. I only know of one case in which it was necessary to refuse because the man was not satisfactory.

Mr. Ormond.
10th Sept., 1877.

WEDNESDAY, 19TH SEPTEMBER, 1877.

The Hon. Mr. ORMOND examined—*continued.*

1812. *Mr. Larnach.*] Are you in favour of continuing the present system so far as relates to the amount per cent. payable on railway contracts. A contractor for a very large and important contract has to deposit a small percentage, and whether he has anything at his back or not, the lowest tenderer invariably gets the contract. Many contracts of that kind have come under my notice in the South, where men of no substance have sent in the lowest tender, regardless of whether the job would pay. In order to get into credit, they were determined to get the contract, heedless of whether it would pay. The consequence has been that the contract was thrown up in a short time. This necessitated the re-letting of the contract by the Government, and, as you are aware, whenever contracts are re-let, it invariably tends to loss, as every advantage is taken?—I understand that the present system has worked on the whole very well. There are not more than two or three cases in which the Government has been at any loss in completing contracts. So far as the protection of the Government is concerned, I am inclined to think that the practice of only paying a certain percentage upon the works as they are completed does act as a protection to the Government. As regards the amount of security, that is a question that I do not know that I am prepared to give a very decided opinion about. It would be in some points of view desirable to take larger security than is the practice, but if you do you would shut out the small contractors, and experience has shown that small contractors do the work at a very reduced cost to the colony. I would add to that, as far as I am able to judge—and I have been through a good many contracts now—that the contracts done by the small contractors are better done than those carried out by the large contractors.

1813. Is it desirable that the Government should run any risk of a contract being thrown up and subsequently taken?—I do not think it at all desirable. One effect from it is that it would lead to loss of time.

1814. You are aware that if a contract is to be re-let it cannot be let so advantageously as in the first instance?—Experience has shown that we have not had to re-let them.

1815. Is it not desirable, in your opinion, that the Government should carry on contracts?—So far as my experience goes, the work we are getting done is cheaper than the work done by contract. On the Otago line the “unemployed” have done the cheapest work.

1816. How is this ascertained?—By calculating the number of yards of the cuttings or other work performed.

1817. Are the “unemployed” engaged by day-work?—No, piece-work. At the commencement the idea was to provide what are called the unemployed with work, and for that purpose it was set aside. The very best men have now congregated upon the Government work, and we have a great number of small contractors working by piece-work. They prefer coming to the Government, because they get their money free from any encumbrance. So much better has the work of those men been, that I was seriously inclined to carry out that piece of line from Balclutha to Clinton without calling for tenders at all. Nothing deterred me from it excepting that it would be carried on during the busy season of the year, and might have interfered with harvest operations. I am very sure we could have saved money by having it so done.

1818. As a matter of principle, are you not in favour of doing the Government work by contract?—Yes. I only state those extreme cases where we have been urged to find employment for the people.

1819. Presuming a contractor takes the contract too low, notwithstanding that the Government may have it in their power to protect themselves by withholding a certain portion of the money —?—They do that as a matter of course.

1820. Is it not likely that the Government would lose in having to re-let any contract that would be thrown up?—My answer to that is that experience has shown that there are only two or three such cases in which the Government have actually lost.

1821. In the re-letting of the contracts?—Yes. I do not think the rule has been to re-let them. The rule has been to carry them out at the cost of the contractor or the sureties.

1822. You do not know any special cases?—No; I do not know of any special case. There are two or three instances where contractors, by breaking down, have had to throw up the contracts. There is Mr. McKirdy, and a man named Oaks, who took contracts on the Wairarapa Railway, and broke down. They worked for a time at small contracts, after which they were enabled to take larger ones from the Government. The sureties they gave were responsible men. These contractors broke down, but their sureties have taken up the work, and are carrying it out. This has occurred lately.

1823. I understand that Mr. Passmore was dismissed?—Not dismissed. He had notice given him that his services would not be required after a certain time.

1824. I do not know what you call it?—He was engaged for a time, subject to twelve months' notice. When his services were no longer required, he received notice his engagement would cease.

1825. I will put my question in this way: Mr. Passmore was asked to retire when there was no further use of his services?—Yes; after his services were no longer needed.

1826. He was Manager of Constructed Railways?—Yes; Superintending Engineer of Railways in the North Island.

1827. His services could be better dispensed with than many of the engineers of lines not constructed?—My opinion of that was, that of the Superintending Engineers we could do without one. There were three other Engineers—Mr. Conyers and two others—whose services were absolutely wanted.

1828. The two other Engineers are Knorpp and Higginson?—Yes. In other words, I looked upon them as the best qualified for the business of "constructing" railways. Mr. Passmore was always engaged on "constructed" lines. He might consider that he was able to look after "constructing" lines as well as those constructed.

1829. *Mr. Stevens.*] I should like, Mr. Ormond, to ask you whether you know anything about the occurrence that was mentioned to this Committee the other day—an occurrence on the Christchurch Railway. In fact, I may say two occurrences, in reference to some irregularity in the signals which resulted in a certain amount of danger?—Can you name anything that would bring the circumstance to my recollection?

1830. The whole thing is referred to in articles in the Dunedin papers, which I believe state the case correctly. I have not got the paper in which the first article appeared. You will find one of the articles spoken of in that paper [Paper handed to Mr. Ormond, and extract read]?—I cannot give any opinion about this now. What I would say is this, that the general practice is to bring anything of this kind under the notice of the department. Any paragraphs appearing in the newspapers affecting the railways I call for an explanation. I think I referred this matter the other day for explanation.

1831. And you have not yet got an answer back?—I think not. My work is so much in arrear that it might be on my table and yet I have not seen it.

1832. It seemed to have attracted a good deal of attention. I do not know whether it would be for us to examine the papers. Shall we see the reply when it arrives?—Yes, when the papers come up.

Mr. Stevens: I do not know that there is anything more I wish to ask.

Hon. Mr. Ormond: I have the papers here about the steel rails which the Committee wished to see.

1833. *Mr. Larnach.*] May I ask you one question? Are you in favour of employes, guards, and similar officers in the Railway Department wearing uniform, in order that travellers may the more easily recognize them?—Yes. I think there is a general instruction that they should wear uniform.

Hon. Mr. Ormond: On the question of steel rails I hand in to the Committee a report from Messrs. Hemans and Bruce upon this matter, with a covering letter from the Agent-General. [Report read and ordered to be printed.] Mr. Carruthers, on the 3rd March last, makes the following memorandum: "The question of steel *versus* iron rails is not now very important, as most of the rails required are already ordered. Had the Home prices been as low when the rails were purchased as they are now, I should have recommended steel rails of heavier pattern than we have used. There is some risk of light steel rails breaking, and I do not think they should be used of a less weight than 52 lbs., and that 56 lbs. would be better." [See Appendix E.]

1834. *Mr. Macandrew.*] I understand, Mr. Ormond, that the Government has ordered wheels and axles, with a view to having carriages and trucks made here by contract, the Government supplying the wheels and the axles?—Yes; these are for specified lines.

1835. Then the contractors have to find their own ironwork?—The material that is ordered is for specific lines, for which there is urgent need of rolling-stock. It is only the wheels and axles and other ironwork that are ordered from England. The timber for the wagons is being procured in the colonies. Tenders will be called for building the trucks here.

1836. All the iron is coming from England?—Yes; all the ironwork in this particular shipment has been ordered.

1837. Of course it is important in encouraging colonial industry that as much wood should be used as iron?—Yes.

1838. Is it the intention of the Government to do so?—Yes.

1839. Will there be any time to have the wheels and axles manufactured at Port Chalmers?—Yes. Mr. Conyers has authority to use up material from any of the Government workshops.

1840. You have no idea to what extent that is likely to be carried out?—He asked for authority to expend £1,000, which was approved of at once.

1841. When was that?—That was recently.

1842. By whom was Mr. Hemans employed; was he employed at Home?—He was appointed in the colony.

1843. Now that the ordinary works are going on, would it not be better for the Government to have its own officers at Home?—It would require a large staff. I do not think the orders sent from the colony sufficiently extensive to initiate a department at Home.

1844. There will be millions of pounds' worth of material come from the Home country, and it is a great deal to have to pay 1½ per cent. to a firm's agent at Home?—I have considered the question, and find it would require a considerable department at Home, one that we would have very little power to control. It would necessitate a large staff being kept up.

FRIDAY, 14TH SEPTEMBER, 1877.

Mr. HENRY THOMSON examined.

Mr. Thomson.
14th Sept., 1877.

1845. *The Acting Chairman.*] Would you state, Mr. Thomson, what experience you have had in the management of railways generally?—I was seven years and a half on the London and North-Western, in England.

1846. Were you engaged in the active management?—No; more in the audit department. I passed through every department of the audit.

1847. And as regards management, where you had control yourself?—I had, on the Melbourne and Hobson's Bay Railway. I entered that Company's service about a month after the act of incorporation, and prepared the whole system of accounts, and everything connected with it, to the day of opening.

1848. When was that?—In 1854, I think, or 1855. The first portion of my connection was the preparing of the whole system of accounts, and then, afterwards, I had charge of the Sandridge Pier and Station. I was Superintendent at Sandridge. That was the principal, the only outlet.

1849. How long did you remain in the Hobson's Bay Company's service?—From 1853 to about the end of 1855—very nearly three years; and then I was on the Canterbury lines.

1850. What was your position there?—Traffic Manager.

1851. How long were you at that?—About twelve months.

1852. Are you acquainted with the system of management now in operation on the New Zealand Railways?—I do not know that it is very much altered since I was in charge; and I have been in Canterbury ever since.

1853. I am now putting to you the Chairman's questions, in his absence. What is your opinion of the weekly system of accounts and returns, against a monthly system?—Does that allude to both sources of traffic, goods and passengers?

1854. Yes?—In the passenger, I am decidedly in favour of weekly accounts; but in goods, certainly monthly. Why I am in favour of weekly accounts, as regards passenger traffic, is, that the returns are light in point of labour, and are easily checked. The month's accumulation of tickets would be something enormous. But as to goods traffic, I am certainly in favour of monthly returns. I presume a monthly abstract of all that is done is meant.

1855. Do you consider that in the goods traffic the labour is very much greater under the monthly than the weekly system?—It would be very much greater in the weekly.

1856. Do you consider there is generally more security against fraud in the weekly than in the monthly system?—I think the weekly system affords the greatest protection against fraud. Every precaution was adopted by the audit department of the London and North-Western to prevent or detect it. The slightest irregularity at any station or in any account was sufficient to draw attention to that particular station, and every such irregularity was immediately inquired into—not merely an irregularity in accounts or cash, but of any description whatever.

1857. Do you think that under the weekly system the ease of detection is greater materially than under the monthly?—I do not know, positively, what system has been brought into operation lately. I believe that with proper supervision it is just as likely to be found out in the monthly as in the weekly accounts. It can be very easily known, from the way-bills and other documents which go to the office, by an inspection, and any irregularity can be found out in that way.

1858. When you were on these lines—the Hobson's Bay and Canterbury—was the monthly or the weekly system of accounts in force?—The weekly in both cases.

1859. Both as regards passengers and goods?—Yes; but it might be just fair to say that the whole of the goods traffic on the Melbourne and Hobson's Bay line was shipboard.

1860. Do you consider, with reference to the question of audit, that the present system is the best?—I think the best system is an audit at the centre, taking Christchurch for one centre and Dunedin for another, so long as there is a break in the communication as at present. I may say I belonged to the Grand Junction, before the London and North-Western became amalgamated. There were three audits prior to amalgamation—one at London, one at Manchester, and one at Liverpool. The whole were done away with except London, and we formed one audit for the whole of the lines, and audited every species of accounts.

1861. Would not that point to an audit in Wellington?—If Wellington were easily accessible it might, but I see a great disadvantage in Wellington being so far removed. Returns might be a month old before they would be checked in Wellington.

1862. Under the present system of travelling audit?—Yes; the returns must come by steamer. They will take some little time to prepare. If there were any errors, you could imagine the correspondence that would take place, and the delays of several days.

1863. How would you propose, if you do propose, to gather all these separate audits in the different railway centres into one, if you think that necessary?—I do not think it would be absolutely necessary to have one audit in Dunedin, and another in Christchurch. If one were established it would be sufficient, but I do not think there is anything objectionable by having the two audits. The accounts are separate and distinct, and it is just like adding together two totals. In the audit office everything should be shown so clear that you have only to put Dunedin and Christchurch together to make it complete.

1864. Can you give the Committee your general opinion on the subject of railway tickets? That is, the selling of them in the same way as postage stamps?—I am totally opposed to that.

1865. In all cases?—In all cases.

1866. Would you state your reasons?—I believe that the crush at the passenger stations is objectionable; that arises from a fault in the present system. If booking offices are opened in sufficient time, say a quarter of an hour (and when there is a busy train there is no reason why they should not be opened earlier, supposing no other train is leaving), and if passenger stations are kept for the people who travel, and not for people who loaf about them, and every one passes through the ticket office and takes a ticket, instead of having to wait until the bell rings, they will book all without crush or difficulty. I mean there should be no egress or ingress to a station except by passing through a

recognized channel, and then the collection of tickets would be so much easier. There would not be the same necessity for examining tickets. Mr. Thomson.

1867. *Hon. Mr. Richardson.*] Is what you are now indicating the French system?—I do not know what the French system is. I am describing the London and North-Western. There is one point I did not state in passing; it is this: that the value of a train can never be ascertained if tickets are sold indiscriminately; and the railway authorities do not know how many passengers will go to that train. On the English lines, every train is numbered, beginning with the first in the morning; and every ticket issued bears that stamp; and the railway authorities can tell, for months afterwards, the value of any given train. And a train can be taken off, delayed, or made earlier, for the accommodation of the public. That would be defeated if tickets were sold elsewhere, and no date upon them. 14th Sept., 1877.

1868. Are you aware whether on any of the Victorian lines this system of selling tickets as postage stamps has been adopted?—I am not aware of any.

1869. Nor in New Zealand?—Nor in New Zealand. There was an agency once opened in Christchurch. That was a positive failure.

1870. How long is that ago?—About three years ago. It was open about six months.

1871. With what results?—I was given to understand that the person did not take as much altogether as would pay his commission.

1872. The Chairman asked me to put this question: If the railways in the Canterbury District were put into your hands, what would you do to make the management more satisfactory to the public?—I am pretty well certain there are a great many accounts which would be simply useless, involving a great deal of labour. I should endeavour to simplify them, and reduce the labour; and also, I think, the arrangements for the traffic are not just so good as they might be. I think in many stations I could point out where the employés are in each others' way from the faulty arrangements; and no matter how great the traffic, or how many men they put on, they cannot do any greater amount of work, because the traffic blocks itself. I would instance the Lyttelton station. Each department seems to be in the way of the other. The passenger station blocks the whole yard. When a train is drawn up there, you stop the work, bodies of men are kept waiting until it gets out of the road. The turn-table system I condemn—I think them traps for labour. Where there is plenty of room I think they should be lifted where possible. I should direct my attention to the simplification of these matters, and the keeping of each department separate and distinct; in other words, I should put the passenger department out of the way, and give the goods all facilities.

1873. Having put all the Chairman's questions, I will now put some of my own. Can you tell me, Mr. Thomson, from your experience, whether, in your opinion, there should be a depreciation fund on these New Zealand lines?—In all railway companies at Home they have a depreciation fund.

1874. Could you tell me whether the practice is uniform?—I think that in all companies (I am speaking now from memory) in former times there used to be an allowance made for depreciation and the renewal.

1875. When did that take place?—As those lines progressed and new ones opened; the new ones invariably commenced with a very slight percentage.

1876. Could you give some idea how it was calculated—whether it was calculated on the expenditure of capital in the line and rolling-stock, and so on?—That I am not prepared to say.

1877. You do not know whether it was a percentage on that, or a percentage on the gross earnings?—I am of opinion that it was a percentage on the gross earnings, but that is merely an opinion.

1878. Then, is it your opinion generally there should be some form of depreciation or renewal fund on these lines?—It is.

1879. Would you tell me what your experience or opinion is as to provision being made for railway servants being injured by accident?—I believe there are societies now started at Home, the railway companies giving some slight assistance, and the servants themselves contributing. The rules I have not got, but I know they are in existence. If I recollect, it was something like half which the railway companies give.

1880. Supplemented by 100 per cent.?—Something like that.

1881. Do you think that would be sufficient to answer the purpose in this country?—I think so.

1882. Are you aware of any principle on which that is divided in case of accident?—It was not in existence when I was connected with the railway at Home.

1883. Are you aware whether it exists on the Hobson Bay line?—No. It was on the London and North-Western. I know it does exist.

1884. *Mr. Larnach.*] What profession or calling are you?—I am now supposed to be a watchmaker and jeweller. My proper business is in connection with railways. My father-in-law left my present business to me, and I do nothing else.

1885. You were brought up on the railway?—I was seven and a half years on the London and North-Western.

1886. Why did you leave the Hobson Bay line?—Because the line was closed pending the arrival of the engines.

1887. Have you been in America?—No; I have not had the slightest experience in that country.

1888. Are you aware that the system there is somewhat different to that adopted in Britain, particularly in reference to the sale of railway tickets?—Yes; I have heard that they sell them like postage stamps.

1889. Are you aware that system works well?—I have heard it said by those who have had experience in it that it does.

1890. You do not appear to be in favour of any change of system in the colony in the sale of tickets?—I do not see what is to be gained by it.

1891. How do I understand you "to be gained by it"—the State or the public?—By the public.

1892. Would not a great convenience be gained by the public? Have you not seen a great crush at the stations?—I consider that is owing to faulty management. To gain the platform I would

Mr. Thomson. simply cause all passengers to pass through the booking office and obtain their tickets at once, instead of allowing them to accumulate on the platform, and when the five minutes bell rang to rush for tickets.

14th Sept., 1877.

1893. Could you not suggest an improvement on the present pigeon-hole system—something more similar to a bank counter, for instance, where more than one could go to the counter and get their tickets?—I think the greater the number that present themselves at one time, the more it is likely to create confusion. In the London and North-Western all passengers entered through one door, and they had to pass in front of these pigeon-holes, and book at the time, and pass on to the platform.

1894. Do you mean to tell me it is absolutely necessary, to insure the proper conduct of that especially, that tickets could only be sold out of a small hole, where a man with a large-sized hand could not get it in?—They need not be so small; but I object to two persons being there at one time.

1895. What is your objection?—Simply, you would require two booking clerks, who must be booking from the same lot of tickets. A clerk cannot book two or three persons at the same time.

1896. Why cannot tickets be dated and registered, and entered in the register-book. How would a bank manage to issue its notes, if it had to adopt the same principle, by issuing every note to one person at a time through a window?—The tickets are all registered as a matter of course, but all railway tickets must be dated at the time; not so bank notes, which are available any time.

1897. Why could not tickets?—Simply because any ticket not collected can be used again if not dated.

1898. Why are they not collected?—That is owing to the faulty system.

1899. Do you mean to tell me that no plan can be adopted to obviate that?—Most undoubtedly. On one section, when I travel, I have invariably half my ticket uncollected, which I bring away with me. If they are not dated and not collected, what is to prevent my using them next day? If the ticket is dated, I cannot use it again.

1900. Why not dated each day?—Then you are giving the ticket clerk as much work as if he had issued it in the first instance.

1901. Why not number them numerically?—They are.

1902. Is not that a sufficient ear-mark?—It shows they are railway tickets, but not that they have been issued to-day. Ticket collecting is a very difficult process, and on the London and North-Western Railway the most experienced collectors were put on.

1903. If the system has been adopted in America, I can see no possible objection to its being carried on here?—I am quite unaware of the American system.

1904. Is there not a possibility, if a bank teller can attend perhaps to fifty or a hundred people (as I have seen, at one time, all waiting to be served by the issue of notes), of such a system being adopted in connection with the railway department, rendering it easy for the ticket clerk issuing tickets to do the same?—I must say it is more likely to lead to confusion, because fifty people waiting to be served does not expedite business. I feel certain the inconvenience would be entirely obviated if they made the people pass through the ticket office, get their tickets, and pass on to the platform.

1905. Would it not be a convenience to the public if a firm, say, could purchase a number of tickets, and keep them in their office, so that when they, perhaps, sent twenty clerks in different directions, instead of having to wait to the last moment, they could give them their tickets at any time?—If I were a merchant, I should rather pay as I wanted the tickets, than keep a stock by me.

1906. Would you rather send for a postage stamp when you required to post a letter than keep a large supply?—There is no comparison between a postage stamp and a railway ticket. A letter can be posted at any office or pillar-box at any time, and does not require to be dated, whereas a passenger must pass through the office where tickets are sold, and to have them dated must give as much trouble as if he purchased at the time.

1907. You would think it is a convenience for an individual doing a large business to keep a large number of postage stamps?—Certainly.

1908. Why does not the same apply to railway tickets?—There is not the same check.

1909. Would not a change of system be worth trying?—Yes, as an experiment. I do not think if I were railway manager I should advise it.

1910. *Mr. Macandrew.*] Probably great improvements have occurred since you left the Home railways?—There might. When I was in England, about six years ago, I visited the audit department of the London and North-Western (the same office I had previously been in), and the only change I discovered was the substitution of monthly for weekly accounts. Each station sent a daily account of the tickets issued. This account did not show the cash.

1911. You say you prefer the monthly to the weekly system, as being more economical and quite as efficient?—I think so.

1912. Would it not be possible that the same number of hands could do the whole work of the Middle Island at Dunedin and Christchurch?—I think not with the same hands. The labour in an audit is purely checking, and if there are a hundred stations making their returns to Christchurch, and a hundred to Dunedin, it would simply require so many at each, but if you have only one audit it might save a little.

1913. Assuming the lines were finished, would there be any necessity for an audit at Christchurch and another at Dunedin?—No necessity whatever.

1914. Under no circumstances would you recommend an audit to be at Wellington for the whole colony?—Certainly not.

1915. *Hon. Mr. Richardson.*] I understood you to say that on the lines which afterwards amalgamated, and formed the London and North-Western, they had two or three centres of audit, and it was all brought into one?—Yes, before the amalgamation of the London and Birmingham, Manchester and Liverpool, and Grand Junction; but when they amalgamated all the staff went to London.

1916. Can you tell us what the length of those lines were, and anything about the receipts?—*Mr. Thomson.*
The Liverpool and Manchester line was $31\frac{1}{2}$ miles; the Manchester and Crewe, about 33 miles; and the Grand Junction, from Newton Junction to Birmingham, about 83 miles; and the London and Birmingham, 112 miles. The whole of the traffic was checked in London, and used to average £50,000 a week, goods and passengers.

1917. You said you had been Home seven years ago. Did you find still only one audit?—Yes.

1918. And these lines enormously increased since you left?—There were 47 clerks in the audit when I left, and about 140 when I returned; the receipts had increased to about £140,000 per week.

1919. And that was all audited in one office?—Yes; and they had the North London added.

1920. *Mr. Macandrew.*] Your principal objection to the sale of tickets outside was, I understood, that you could not ascertain the value of the trains?—Quite so. I have either misapprehended the question, or given a reply rather hastily. It is one objection, but not the principal. As a railway manager, I would object to any person doing for us that which we could do much better ourselves. I also think we could check one office, where tickets were issued, much easier and better than twenty offices. I think I can also see greater facilities and temptations to fraud by collusion.

1921. Is it very essential the value of trains should be ascertained?—In companies they profess to run trains that will yield most money, and be of greatest convenience to the public.

1922. You would not set the question of paying against the public convenience?—Certainly not. I am aware that on Government railways the public is consulted to a very large extent. Trains are run, independently of their cost.

1923. *The Acting-Chairman.*] You have probably formed an idea, in the Provincial District of Canterbury, as regards the quantity of wagons that are necessary to meet the maximum of work at the grain season. Do you know what the provision will be for next season?—I know that the number of wagons to the mileage is under three; and I see that this is to be largely increased by about one and a half wagons to the mile; that will make it somewhere about four wagons to the mile.

1924. Have you formed a sufficient acquaintance with the traffic at that period of the year to give us an opinion as to what is necessary per mile to do the maximum work?—The number of wagons must depend upon the facilities for getting rid of the grain. If consignees will take rapid delivery, it will make all the difference, but if they are inclined to make the Government store it, it will require a greater number of wagons. If wagons are not emptied as they come in, it will cause a greater number of trucks to be used; and if they accumulate, the expense is very much greater in working.

1925. *Mr. Macandrew.*] One remark you made was that on the Canterbury lines there are more hands than are necessary. Will you explain how that happens, or how you can obviate it?—I had in my mind the Lyttelton station, where every wharf, with the exception of one, is communicated with by turn-tables, and this necessitates an unnecessary number of men. Then the passenger station is placed right in the middle of the yard, which necessitates some of the work being suspended until the passenger trains get out of the road. There are goods sheds behind the station, and the people have to walk over the line of railway in passing into or from the station.

1926. To what extent do you think a saving can be effected if all these improvements, which you suggest, were made?—I am quite sure that if, in discharging, the cranes were kept constantly at work, they might do 25 per cent. more work per day, and this would tend to prevent the blocks that have occurred. For a crane to discharge sixty tons a day is child's play.

1927. *Hon. Mr. Richardson.*] You are aware that the "Wakatipu" took in 350 tons in seven hours?—I was not aware of it.

1928. Are you aware the Government have announced that they are going to put a new passenger station in Lyttelton, and make all the wharves communicate directly with it?—No; I may say that as far back as 1868 Mr. Dobson prepared all the plans to lift every turn-table and put the passenger station behind Matheson's Agency, where the gasworks now are, and the amount was voted in the Estimates of 1868.

1929. *The Acting-Chairman.*] You are generally aware of the present classification?—Yes.

1930. Do you think that the classification is one calculated at once to meet the convenience of the public, and also to conduce to the profit of the railways?—I do not. I think the public, generally speaking, do not know exactly what the tariff is. It seems to be a trouble to them, and I am quite sure it must be an immense labour to the Railway Department.

1931. What is your main objection to it?—When goods are presented, it is difficult to find what tariff they are to go under. The classification just now seems to me as if it were intended for some immense traffic which might take place in those various articles at Home. Goods should either be taken by dead weight or measurement, but to take baskets and furniture by dead weight seems extraordinary.

1932. How would you carry gold?—That is different. It is carried at per cent. if the railway becomes responsible for it.

1933. Do you think, then, that the tariff could be simplified with advantage?—I do indeed; very materially.

1934. By having it less elaborate?—Yes.

1935. Supposing it was stated that the policy of railway companies in England is and has been in the direction of elaboration rather than their generalization, what would you say?—I would say that probably the circumstances of the case demand it there.

1936. What would be these circumstances?—I think enormous competition and enormous traffic that take place in certain specified articles. I noticed one alteration when I was last at Home. The whole of the London and North-Western line was divided into districts. I am speaking now of goods. The reason why they divided the line into districts is this: They appointed a person over so many miles, to scour the districts all round in order to get the traffic. Of course, many districts were famed either for manufactures, minerals, or something else, and it was necessary to hold out certain inducements to these articles, and that has brought about this classification of merchandize, but in New Zealand it has not come to that. There are certain articles, coal for instance, that might be specified

Mr. Thomson. different from ordinary general merchandize; but taking the goods traffic from Dunedin and Christchurch by ships, it would be a general assortment. I think it would be far better that measurement goods went at a certain rate, and dead-weight goods at other rates, with certain exceptions, such as dangerous goods, and goods liable to be broken. [See Appendix H.]

Mr. J. C. Brown.
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THURSDAY, 20TH SEPTEMBER, 1877.

Mr. STEVENS, Acting Chairman.

Mr. J. C. BROWN, M.H.R., examined.

1937. *The Acting-Chairman.*] Mr. Brown, I do not know whether you would wish us to put questions to you, but I think it would be better for you to state precisely what is the nature of the evidence you have to give, on what particular point your evidence would bear, or whether it is of a general character?—I may say that my object in being here was to give some evidence with regard to a case in point, showing the delay in meeting matters that can very well be disposed of on the spot, instead of in Wellington. I do not know whether that comes within the scope of the inquiry.

The Acting-Chairman: Yes.

Mr. Brown: I may say, then, that the first matter I would bring before the Committee is that a person in business at Lawrence, named Tolcher, applied for a siding in March last. He was told by the local department—that is, the Dunedin department—that there would be no objection to it, and that the siding would be of course laid down as soon as the railway was opened; that would be in the course of a few weeks. The railway was opened, and some time elapsed before anything was done. He then made another application, and was told that he would be required to show a statement of his traffic. That he did, and four or five weeks more transpired, and then he was asked to give a guarantee that his freight would come up to a certain amount per year. This was done. From that time up to the present he has been in communication with the Dunedin authorities—Mr. Conyers and Mr. Grant—and he has found after all that these matters have to be referred to Wellington from time to time. I saw Mr. Carruthers the other day respecting it. He told me that, this being a matter where the cost will have to come out of loan, it would require to have the sanction of the Minister for Public Works, and that was the delay. I got a telegram from Mr. Tolcher on the following day, and that caused me to see the Engineer-in-Chief again. I saw Mr. Grant when in Wellington, and also Mr. Conyers, and both explained to me that so far as they were concerned it was granted long ago; but there was a good deal of correspondence about it, and they would look the matter up with a view to the thing being done. I saw Mr. Carruthers a second time, and he then stated that Mr. Tolcher's application was informal, and that the papers were sent to Mr. Conyers just the day before. It is a matter of very great inconvenience and considerable expense to Mr. Tolcher, as his business place is exactly opposite the terminus, and it necessitates his carrying all his material across the road. What I desire to bring before the Committee is this, that a crossing would not involve over £50, and yet there should be over six months' delay about it. Under the old Provincial system, a crossing (if approved of by the authorities) was put in in the course of a week, or not more than a month. I know of several cases in which not more than a month has elapsed. I asked Mr. Tolcher to give me the particulars of his application, and this morning I received the following letter and statement of freight. [See Appendix F.]

1938. *Mr. Larnach.*] What you most complain of is the difficulty of getting sidings or any other urgent matters of that kind sanctioned and carried out without reference to Wellington?—Yes. I know of other applications which were made under the Provincial Government. They were granted, and put in within a month; and this has now taken six months, and still undecided.

1939. *Mr. Macandrew.*] Was the siding to be put in at the expense of the Government or the applicant?—The applicant would have been prepared to have borne the expense, but the Government put in sidings themselves, and will not allow any one to put in a siding like that, as I understand. The Provincial Government used to provide the material. This party will provide anything, in fact everything, himself.

1940. I suppose if that condition were necessary, he would have complied with it?—Yes; he would have rather paid the whole thing than been without it. It is a serious matter to him having to carry all his goods across the road, a good deal of the material being timber.

1941. And he has given a guarantee that the traffic will not be less than £300 a year?—Yes, that is what they asked, and his traffic for five months is over £300.

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FRIDAY, 21ST SEPTEMBER, 1877.

Mr. WILLIAM DODD examined.

1942. *The Acting-Chairman (Mr. Stevens).*] What position do you hold in the public service?—I am Chief Clerk in the Railway Branch of the Audit Department. My duties are generally to superintend that branch. I specially pass the "pay" vouchers.

1943. What is your opinion as to a weekly and a monthly system of accounts?—I consider the weekly system of accounts the best for the present traffic.

1944. In the case of an increase of the present rate of traffic, would you consider the weekly or the monthly system the better—an important increase I mean?—It is a question I could not answer. I should say that the weekly system has special advantages over the monthly, but if the traffic were very large these special advantages might be counterbalanced by disadvantages.

1945. Would you be good enough to describe the present system of audit of accounts?—We take the Manager's balance-sheet and summaries and check them with the Stationmasters' balance-sheets and summaries, which are checked with the abstracts. Then we go into a detailed audit, both as regards the weigh-bills and passenger-traffic returns.

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1946. How long would it take the department to detect errors or irregularities? Supposing an irregularity occurred in one of the railway centres, how long would it take your department to find it out and commence an investigation?—We had the accounts of the 8th in yesterday (the 20th). An investigation of these was commenced forthwith. If there was an irregularity we should probably find it within three days after. We could always discover an irregularity in a week after receiving the accounts, provided the office was in full swing.

1947. Are there any other means of ascertaining whether the accounts and returns that are sent in are accurate?—Yes.

1948. Would you describe how?—When compiling the summaries, the Accountant is obliged to detect any errors in the station summaries, or he would not get his accounts to balance.

1949. Is any one on the spot sent to deal with a case of irregularity, or does he deal with it himself?—He himself deals with the case very promptly. For instance, the errors in the balance-sheets of the 8th will be taken to charge in the balance-sheets by the Stationmasters on the 22nd. The Stationmasters make out the accounts, the Accountant makes up his statement from the Stationmasters' returns, and we audit the whole.

1950. Are you in a position to give an opinion as to whether the audit, inspection, and so forth, could be more swiftly conducted by having a department for each Island or each large railway centre? Have you considered the subject at all?—I have not. The difference between doing it from here and say from Christchurch or Dunedin is exactly the difference in time it takes for the mails to come up or down. If anything important took place we could wire it in an hour at the outside.

1951. Supposing it was a very urgent case and that the wires were down, and there was any delay of that sort?—We should be at a disadvantage then. There appeared to me to be an irregularity in the accounts of the White Cliffs Station in the last week's received. There was some omission of money. We telegraphed to our Inspector, and sent him up there. Another instance occurred at Addington, and the accounts came in right next week. The Stationmasters are not as a rule good accountants, and they occasionally drop things out of their accounts. We can always detect irregularities within a short time. When you have a weekly system, you get them attended to very promptly.

1952. If any one recommended a differential system for the goods and the passenger traffic, that is the goods monthly and the passenger weekly, what would you say to that?—I would say No. Such a system might do for Christchurch and Dunedin, where the traffic is large, but not in places where it is small. Some of the Stationmasters have only £2 or £3 to pay in at a time.

1953. Are you familiar with the question of payment for articles required for the railway? Supposing that the Railway Department requires, I will say, a thousand pounds' worth of coal, are you familiar with the process by which that payment would be made?—Yes.

1954. Can you tell me how long it would take, practically, to make a payment of that nature?—A thousand pounds voucher would probably only come from Canterbury. The invoice is sent in, and if the account is right it is sent on. It would be delayed in the Accountant's office a day or two, in our office part of another day, in the Treasury I could not tell you how long. That depends on circumstances. If made out for urgent payment it would be passed in three or four days, and the money actually on the way.

1955. The actual promptitude, after the passing of it, is a matter you cannot speak of?—No. Vouchers made out as urgent are given precedence to others, and passed as promptly as possible. Suppose some one in the country sent for an imprest, that would go through the very day the voucher was received. We keep no vouchers back in our department.

1956. If there was some irregularity, I mean a simple inaccuracy, in vouchers which came to the Audit Office for passing, we will say from Christchurch or Dunedin or anywhere else, would subsequent vouchers sent up be delayed in consequence?—Certainly not. Each voucher, as far as I know at all events, is treated on its own merits. If right, it is passed; if wrong, rejected.

1957. Do you know of any case in which payments have been delayed of other sums?—I cannot recollect a case excepting this: Where one part of a voucher is perfectly correct and the other part incorrect, it would be delayed.

1958. Do you consider the present condition of the railway accounts in the colony is satisfactory?—I think it is.

1959. Does it occur to you that there are any material modifications which would be beneficial?—Not material; small modifications in the forms might be introduced, but not material alterations.

1960. *Hon. E. Richardson.*] Are any officers authorized now to pay small accounts by imprest, such as for stores or other articles, and then one voucher is sent up covering a lot of these small payments?—So far as I understand it the regulation is this: that all store vouchers are paid direct from the Treasury to every individual having a separate account and separate voucher, and contingencies are paid out of what is known as the Manager's Imprest Account. Payments are made running from 1s. to £50. Mr. Walter Ollivier pays a large number of these petty things.

1961. Any irregularity in those accounts would not affect the persons to whom the money is paid; they are paid on the spot?—They have already got the money, therefore it could not affect them. If there is any delay it is delay on the part of the Manager ordering the Cashier to pay.

1962. *Mr. Larnach.*] You are General Audit Clerk?—Yes, chief of the Railway Audit Department.

1963. You are working directly under the authority of the Commissioners of Audit?—Yes.

1964. How long have you been in the service?—About three years.

1965. How many Audit Clerks are there in your department?—Seven.

1966. Does the weekly system increase your labour and staff?—No.

1967. Has it increased your officers by one even?—I do not think so. There has always been a

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weekly system, nothing else. Before we took over the Canterbury accounts there were four besides myself; now there are only seven. When I was asked what number was necessary, I said eight clerks and myself would be sufficient. I have never been able to get eight.

1968. You say there has always been to a certain extent a weekly system. Do I understand that since the weekly system has been introduced in the Southern portion of the colony, it has not increased the department?—We never had anything to do with the Southern accounts until the 1st of July last.

1969. You cannot say whether, if the monthly system were now introduced, that would lessen the clerical work?—I do not think so. A great many of the documents are exactly the same. The difference would be in the Manager's accounts.

1970. Still, if the monthly system were reverted to, you would have three returns in a quarter in lieu of thirteen?—That is so, but I could not say the work would be materially diminished on that account.

1971. At present you approve of the weekly system where the traffic is small?—Yes; I have not speculated on a monthly system at all. I should want the experience of a large traffic on a weekly system before I should say a monthly was better.

1972. Have you had much experience in railway traffic?—No.

1973. What you have gained has been here?—No; I have had some experience in the old country.

1974. Do you consider the traffic on the Hutt line a large traffic?—No; small.

1975. Have you any experience of the Lyttelton and Christchurch line?—I have seen the returns.

1976. Do you consider it a large or a small traffic?—It is large for New Zealand.

1977. Do you consider the traffic on the Port Chalmers line a large traffic?—No; small.

1978. You consider that the traffic on the New Zealand railways may be rated as a small traffic?—A very small traffic.

1979. I understood you to say that where one part of a voucher was wrong that would interfere with the payment of the whole?—Naturally; because it is one man's claim.

1980. I presume no two amounts are comprised in one voucher?—No two persons' accounts.

1981. If I had two claims I could send them in in one voucher?—Yes.

1982. And if my account for one article was right and for the other wrong, that would interfere with the voucher?—It would.

1983. Would you kindly explain to the Committee what is done in such a case?—We will say that the computation or addition is incorrect, or there is some informality, the corner of the voucher is turned up, and the objection is written upon it by the examining clerk, which is signed by the Commissioners of Audit. The voucher is then returned to the department, and sent back to the claimant if necessary; or the objection may be dealt with by the department, in which case the voucher would be sent back to the Audit.

1984. Mr. Macandrew.] Supposing a Stationmaster at any one of the 180 stations were to collect goods freight and put the money in his pocket; and supposing you were to allow goods to be delivered to the consignees without paying freight, by whom and where would this mistake be discovered?—The mistake, in the first instance, would most likely be discovered by the Inspector on the spot. There is just now a case in Canterbury where there is an outstanding amount of £8, and there are no goods on which the Government have a claim.

1985. Then practically the audit here is inoperative as regards the discovery of fraud *ab initio*?—They have the same papers passed through their hands, and are in no better or no worse position for the detection of fraud than any other railway audit.

1986. When a voucher reaches the Audit Office, what are the conditions?—We see that the voucher has been properly certified by the officer appointed for the purpose, and that the charges are according to contract or reasonable charges; and then we have to see that the voucher is properly approved for payment by the proper officer. The Accountant in the Constructed Railways Department approves constructed railway vouchers for payment. The other conditions are that the direction on the voucher to charge is according to the appropriation and that the voucher itself is correct.

1987. Then it would be impossible to make any payment in excess of the appropriation?—I might say it would be impossible, under the present system of control, to make a payment in excess without its being known.

1988. What do you mean without its being known? We will say the vote is exhausted?—The Commissioners of Audit would decline to issue if exhausted.

1989. Supposing the appropriation is exhausted altogether, is it possible any payment can be made?—If the appropriation and the unauthorized are both exhausted, there can be no issue.

1990. The Acting-Chairman.] Would the account be passed as correct for payment all the same, but the issue would not take place?—Yes. It could not take place, and does not, as a matter of fact. The examination will show that in no case has the unauthorized and the appropriation as well been exceeded.

1991. To what extent has the Audit Department at Dunedin and Christchurch been reduced since the thing came under the central Audit?—I do not know what the staff was.

1992. Has it been reduced at all?—I should doubt it.

1993. Do you think more hands are required?—I think there is another clerk required here; no doubt about that.

1994. Mr. Macandrew.] With regard to this £1,000 voucher for coal, what process does that go through?—If a store voucher, it goes from the Storekeeper to the Stores Audit, from there to the Accountant, from the Accountant to the Audit, from the Audit to the Treasury, and then to the Countersigning Officer; the cheque being sent direct to the claimant.

1995. It goes through five different stages?—Yes.

1996. The Acting-Chairman.] With reference to the travelling Inspectors, you say you have some in the Audit Department?—Yes.

1997. Would you state what their duties are, and the remuneration they are receiving?—Their duties are to inspect the accounts of each station and Stationmasters' accounts.

1998. How frequently?—As frequently as they can get round. They are always travelling. They have to inspect the stores, see what stores the Storekeeper has got on his books, and what stores there are on hand.

1999. *Mr. Macandrew.*] The only security against being defrauded, either in passengers or goods traffic, rests with the Travelling Inspectors?—No one could discover embezzlement or fraud unless on the spot; but the Audit can discover irregularities, and thus lead to the detection of fraud. If the outstandings got out of proportion to the traffic, we would call the attention of the Inspector to the fact, and send him down to the station to see that the goods were there. He goes through the shed and sees that the goods are there.

2000. *The Acting-Chairman.*] What is the remuneration of these Travelling Inspectors?—I think £250 a year and 10s. a day expenses.

2001. Are they likely to be increased in number?—Not for the railway. There is hardly enough for them to do now, and, unless there is a very large increase of traffic and stations, there will be no necessity to increase their number.

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MONDAY, 24TH SEPTEMBER, 1877.

Mr. EDWARD DOBSON examined.

Mr. Dobson.

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2002. *The Acting Chairman.*] You are a civil engineer and a member of the Institute?—Yes, I have been a life associate of the Institute since 1842.

2003. Will you state generally your experience in railway management?—I have been engaged on railways for many years, but have had very little experience in management till I came to the colonies. I had the management of the Christchurch line for some time, and subsequently managed the Hobson's Bay Company's lines in Victoria for nearly two years, during the absence of the engineer in Europe on sick leave.

2004. Can you give the Committee an opinion upon this subject—the manner in which, in your opinion, the best arrangements can be made in New Zealand as regards the safer management for the work to be done. Briefly, whether it would be better to have the lines in charge of an Engineer-in-Chief or in that of separate general managers, either in the two Islands or in different railway centres, responsible to the Minister for Public Works?—It is rather a large question. I think the Engineer-in-Chief should have a general control over the whole, but I do not think he should have anything to do with the actual working. I do not see how he can give it proper attention.

2005. In whose hands should rest the responsibility for the maintenance of the permanent way?—I think there should be a managing engineer.

2006. In which railway centre?—In each railway centre.

2007. Whom do you think he should be made responsible to?—I should prefer the system in New South Wales—a permanent Commissioner.

2008. Responsible to the Commissioner of Public Works?—Yes.

2009. One Commissioner?—Yes.

2010. Have you formed an opinion as to the desirability of having more than one Commissioner?—Yes; I think it objectionable. One permanent Commissioner seems to work better than a Board.

2011. What powers do you think he should have—I mean as to the scope of his duty?—To superintend the entire management. I do not think it necessary that he should be a professional engineer. He should be, however, thoroughly conversant with the subject of traffic management, and with the duties of the several officers required for working a railway.

2012. Should he have anything to do with the permanent way?—He should have no detail work at all. He should check the whole management.

2013. With engineers under him?—With engineers under him.

2014. You have had special experience in traffic management in Australia, I think. Will you state the method—the system of audit?—I know nothing about the Government system. My experience was with the Hobson's Bay Company's lines. I can tell you as to their system. The accounts were audited by the Company's auditors.

2015. Had they any system of audit carried on in their own department?—Yes, in the accountant's department.

2016. Can you give details?—No; I am not personally familiar with the details of that department.

2017. Would you state your opinion as to the relative advantages of weekly or monthly accounts—that is to say, for those who are responsible in the different localities?—I think all accounts should be rendered weekly.

2018. Would you make any distinction between the passenger and goods traffic?—None whatever.

2019. You are favourable generally to weekly returns?—Exactly. I have always adopted that principle, and have never found any difficulty. I refer to locomotive as well as other returns.

2020. For New Zealand traffic as it is now, and as you may consider it for some time to come, what do you consider would be a proper rate per mile?—I cannot tell without going carefully into the circumstances of the traffic.

2021. For a constructed railway with a fair traffic (I do not mean so vigorous a traffic as that of the Hobson's Bay line) what would be a fair rate?—I cannot tell without seeing what the traffic was actually costing, and what it would cost by ordinary means. It appears to me an entirely open question, which you can only close by knowing the circumstances of the case.

2022. Do you consider that the traffic in the Middle Island, with which you are most familiar, is likely to require additional facilities?—Certainly; I do not think it possible to carry the traffic with the present arrangements.

2023. To what do you attribute that inadequacy?—To the fact that you have only a single line, worked at a low speed.

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2024. Then, to clear the line, you must have greater speed or double lines?—Either of the two. You must either have a double line or greater speed.

2025. Would you advise a second line?—I should double the lines where the traffic was heaviest, and put in additional sidings to allow of trains passing on long lengths, where it is not yet necessary to lay a double line.

2026. What is a fair rate of working expenses relatively to gross earnings?—From my general experience of railway management, I think it should not exceed 60 per cent. If it exceeds that, I think there is something wrong.

2027. Would that be modified by exceptional circumstances?—Yes; there might be an exceptional traffic, which it would be worth while to secure at considerable expense, so long, of course, as you were working at a profit.

2028. As regards the question of rails, Mr. Dobson, you are aware that the present intention is to lay 52-lb. rails. What do you consider a sufficient weight of rail?—It depends entirely on the number of sleepers. I think 45 lbs. is the lightest rail you can work economically—from that up to 62 lbs. That is a very fair range for flanged rails.

2029. Have you had any experience of steel rails?—They are either very good or very bad. If hard and brittle they are objectionable; but there is a tough class of steel which makes exceedingly valuable rails, and wears very well indeed.

2030. Assuming that the right class of steel rails were obtainable, would you recommend them?—Not as a general thing. I think it would be worth while in tunnels and curves, but I do not think the traffic in New Zealand is likely to be heavy enough for years to make the expense advisable in other cases.

2031. What would be the difference between the cost of steel and iron rails?—It just depends on the state of the market. We have had rails at £21 per ton. It depends entirely on the state of the iron market. As a general rule it may be laid down as a principle that, for curves and places where the wear and tear is great, it is always advisable to put down steel rails.

2032. Have you formed any opinion about the sale of railway tickets otherwise than at stations?—I would not sell them at any place but the stations. But I would have them always on sale at the stations. In selling elsewhere, I think there is a risk of forgery.

2033. Explain as to keeping them open at the stations?—That there should be always an office at each principal station, which should never be closed during ordinary working hours, say from 9 to 6. By this means, very great inconvenience might be avoided; for it is a great inconvenience to keep passengers waiting at the ticket window when there is a rush of traffic, as I have seen on the Hobson's Bay Railway for instance. On the other hand, if you allow tickets to be sold like postage stamps, there is a very great risk of forgery, and, although this is discovered as soon as duplicate numbers come in, it may go on for a long time without discovery, and great loss ensue.

2034. Do you think it is better to get stores required for the use of the railways from England or to obtain them in the colony?—I should obtain them in the colony. I see no difficulty in making contracts with merchants, and you do not then need to keep any large stock in hand, nor do you require so much storage, and you incur less loss and waste from depreciation of stock. Generally, you would only require storage for a month's supply. I do not think there is much difficulty in getting a good class of stores here. We did not find any difficulty in Melbourne. We ordered the stores week by week, or whenever we wanted them from the contractors.

2035. With regard to the parcel-delivery system, are you familiar with such?—No; I am not.

2036. Can you give any opinion upon that?—My opinion is that the railway authorities should complete the delivery of parcels. I think the railway authorities should contract for such delivery. That system is adopted in Victoria, and seems successful.

2037. The Government are primarily responsible, and they should hold their contractors responsible?—Just so.

2038. Are you of opinion, Mr. Dobson, that all rolling-stock should be made in New Zealand?—No; certainly not. Imported engines have an advantage in workmanship; but, I think, there is always an advantage in building wagons in the locality of the line for which they are required.

2039. Could you tell me whether you know if any system is in force on the Victorian lines, or on any other colonial line you may be familiar with, providing for accidents to the railway employés?—That I cannot tell you.

2040. Has the Hobson's Bay Company any such provision?—They have a sick fund, to which every man contributes 1s. a week.

2041. A benefit society?—A benefit society.

2042. Is that subsidized by the Board?—Yes; but I cannot tell you to what extent.

2043. In case of accident what provision is made then?—I think there have been always sufficient funds with the subsidy.

2044. Can you inform us as to the details?—I am not familiar with the details, except that there are always ample funds.

2045. You are not aware whether there is any system of a similar kind on the Victorian Government lines?—I believe so, but I believe it is entirely private; I cannot say positively. On the Hobson's Bay line the funds have always proved ample.

2046. Have you formed any opinion of New Zealand coal?—I have not tried it. The Greymouth coal is good, and appears to be similar to the Newcastle coal; but I should not like to say its capacity for generating steam without testing it. I do not know the Buller coal. There is some coal at Cragieburn which, I think, could be made to answer (I have used it for blacksmiths' work on the West Coast road), although not nearly so good as Newcastle coal.

2047. Can you give any opinion as to weigh-notes respecting the weight of goods, and the Government undertaking to give weight of goods?—I do not see how you can charge by weight without weighing. I have received large quantities of heavy goods by rail in Victoria, and have always received a note of their weight.

2048. For what class of grain do you think weigh-notes should be given?—If you charge grain by weight, you should certainly weigh it. If you charge by the bag, you do not want to do so.

2049. Which do you prefer?—I should prefer weighing.

2050. In that case there would be no objection to giving the weigh-notes?—Not the slightest. I have a strong opinion in favour of giving weigh-notes.

2051. I wish to ask your opinion of depreciation as applied to New Zealand railways. Do you think there should be any provision made for it; if so, what would be the best method of doing so?—You should allow for a depreciation fund every year, whether you include it in the yearly account for maintenance or make it a separate account. You should always year by year provide for your maintenance, by which I mean everything that is required to keep the line in thorough order.

2052. So that the line shall remain in order?—Exactly. Put aside every year a sum for renewing the rails; in fact, let the renewal go as a permanent charge year by year.

2053. And you think it should come under the annual maintenance?—As a matter of accounts I should not put it under the head of maintenance, but under the head of reserve fund.

2054. It would be so much in fact off the net annual profits of the railways?—Exactly.

2055. Can you form an opinion as to what would be enough?—I should think the light 40-lb. rails would not last for more than five or six years.

2056. To what extent do you think that New Zealand timber can be justly used in the construction of trucks, wagons, and carriages?—I do not see why it should not be used for trucks. It should answer exceedingly well indeed.

2057. You think, then, that there is timber in New Zealand that can be used with advantage?—I think, for trucks, certainly. I think there is no doubt you can make them of New Zealand timber.

2058. And carriages?—Of that I cannot speak from personal knowledge. You must use seasoned timber. I have not sufficient experience in carriage building to give a decided opinion as to the use of the New Zealand woods.

2059. Do you think it would, under any circumstances, be advisable to grant leases?—I do not think so in their present state. If the lines were in working order then the question might come on, but in their present state I would not lease them.

2060. When you saw your way to bring them into thorough working order would you enlarge upon that?—No one would take a lease of a line with a mixed gauge. And, again, I do not think any one would agree to work a line with very heavy traffic on a single line; for, of course, the lessee would be made responsible for conveying the traffic, and he would be completely in the hands of the Government in the matter of penalties inflicted for the traffic being blocked.

2061. Do you think the Government would run any serious risk of the rolling-stock being delivered in bad condition?—That is always a difficulty, a very great difficulty. If the lessee chooses to ruin the stock it is very difficult to prevent him. I do not think any system of inspection would prevent it. A man who is trying to make a profit will run the rolling-stock as hard as he can, so long as he keeps within the limits of safety.

2062. Do you think it would be wise to lease the lines?—I think it would be impolitic to lease any of the lines at present.

2063. *Mr. Bunny.*] I should like to know what is Mr. Dobson's present employment?—Practising privately.

2064. *Mr. Larnach.*] I do not quite understand your explanation in reference to weekly accounts?—Whether I think weekly or monthly accounts advisable. I have said that all railway accounts were easily made up weekly. It is the best plan.

2065. Do you think that weekly accounts entail more clerical labour?—No.

2066. Have you had experience in goods accounts?—No; but in my own returns I never found the slightest difficulty in making them up weekly.

2067. I wish to ask are the goods accounts particular accounts?—I think the goods accounts and the passenger accounts are much the same as regards the labour of weekly returns. There is a great deal of detail work in all departments of a railway. In my returns on the Christchurch line the daily work of every carriage and truck was registered weekly.

2068. You are aware that 40-lb. rails have been used to a very large extent here. You know that all the rolling-stock that is in use on these lines has been constructed proportionately to the weight of the rail which is used?—I cannot speak as to that, because I do not know the weight of the rails.

2069. I will put it in another way. Supposing that the whole of the rolling-stock on a railway is constructed in such a way—in proportion to the weight of the rail—do you see any objection to the 40-lb. rails?—Yes, I do, because it is necessarily so very light that even a heavy wagon will bend it, supposing you have only an ordinary cross-sleeper road. But the additional 5 lbs. gives you an additional three-quarters of an inch in depth, and great additional stiffness.

2070. If you lighten your wagon, do you see the same objection?—Yes, because I do not think that you can carry a paying load.

2071. Do you consider still it would affect the rail?—I do not mean to say that you cannot make a load light enough not to bend the rail. But I do not consider that you can work a wagon economically unless you are prepared to take in four or five tons. I do not think a 10-ton wagon can go on 40-lb. rails with safety.

2072. Suppose the weight of the wagon is three tons and that of the load five tons, do you think that would be safe?—I should not like to try it.

2073. *Mr. Larnach.*] Suppose that the permanent way—that is to say, the sleepers—was kept in order, and the sleepers replaced as they became decayed, and the rolling-stock all kept in good order, would there be anything else to provide for depreciation?—Not if you keep the locomotives and carriages in good order. You should always put aside every year a certain sum, so that you should always have the money in hand.

2074. My question is where the stock is kept in good order?—That does not provide for wearing out. I take it you must always put sufficient to reserve to renew your line as it wears out.

Mr. Dobson.

24th Sept., 1877.

Mr. Dobson.
24th Sept., 1877.

2075. Do you consider that the reserve fund should provide for the increase in the number of vehicles, or only for repairs?—I think it should provide for repairs and renewals. In other words, I think you should close the capital account as soon as possible. I think that is the conclusion arrived at at Home—to close the capital account and provide year by year for repairs and renewals.

2076. Do you consider that in New Zealand, where we are only opening it up, that the same rule should apply?—Yes, I think so.

2077. *The Acting-Chairman.*] Have the questions put to you touched all points on which you can give information on the general subject of this inquiry?—I was much struck when in Victoria by the difference between the management of Hobson's Bay and the Government lines. In the Government lines there are so many different heads of sub-departments. The reason of the financial success of the Hobson's Bay Company is its administrative organization. There is the Secretary and the Engineer, who have each their own subordinates, who know whom to look to for instructions. On the Victorian Government lines there are such a number of heads that there is no real discipline.

2078. You are speaking of the practical working of the line?—Yes, for example, the guards are under one head, and the drivers under another. A driver will be anxious to start his train, and will call to the guard to hasten the passengers. The guard will simply swear at him, and say that he has nothing to do with him.

2079. *Mr. Macandrew.*] You think that the fewer cooks there are the better, judging from your experience?—Exactly; all the servants should be amenable to thorough control—to immediate suspension for misbehaviour, and dismissal if necessary. In Victoria, if a drunken fireman is dismissed, there might be forty members of Parliament to call for an inquiry.

2080. Suppose the New Zealand railways were your private property, how would you work them?—I do not know what the present arrangements are; but generally speaking, I should adopt the system of the Hobson's Bay Railway Company. The Engineer has under him an Inspector of Trains and an Inspector of the Permanent-way, who has signalmen and pointsmen under him. When I was there, if any irregularity occurred in the working of the trains, it was immediately reported to the Engineer's office, where a clerk was engaged all day long in booking the guards' returns as they came in on time-tables specially prepared for the purpose, which were inspected by me every morning.

2081. Then you were Engineer of the line?—Yes.

2082. What experience of railway engineering have you had?—I have been connected with railways for the last thirty years, in surveys, construction, and Parliamentary proceedings.

2083. *Mr. Richardson.*] Do you consider it necessary that a responsible person should walk over the line every day?—Certainly; a foreman platelayer. Twice a day if in wet weather.

2084. About what lengths do you consider right for a foreman platelayer to have under his charge?—Not less than three, certainly not more than ten, miles.

2085. *Mr. Macandrew.*] A man could do ten miles a day?—Certainly; with a trolley. He would not walk that distance. He would have men under him to report any spot requiring repair. When he received a report he would go to examine what was required.

2086. *Mr. Larnach.*] Who is the engineer of the Hobson's Bay railway line?—Mr. Ellsdon; he is a mechanical engineer.

2087. *Mr. Richardson.*] Do you consider it necessary that the guard should be always in attention to his brake?—No.

2088. If under the system of management an examination of tickets is required, you would allow him to leave the brake to look after the tickets?—I think a guard can always manage to find time on a piece of straight line to check the tickets.

2089. *The Acting-Chairman.*] In connection with the same subject, your experience of traffic is very large indeed?—Yes; of passenger traffic.

2090. *Mr. Macandrew.*] Have you read the printed regulations for the guidance of all the officers?—No. [The witness here remarked that when he had charge of the Hobson's Bay line the traffic was 93,000 passengers per week; it was now 150,000. They were now taking £2,500 per week for goods and passengers].

2091. *Mr. Richardson.*] Your reason for thinking that the guard can inspect the tickets is that the slow rate of speed will permit it?—Yes; a driver can generally pull up; and, again, the country is very thinly peopled. I think the case in the towns is quite different.

2092. *Mr. Larnach.*] If the place was thickly peopled and the traffic large?—Then, I think, if you have the American system, you should have a ticket collector.

2093. To have two systems would be difficult?—I do not think so. It seems to me you can arrange your officers according to the nature of your traffic.

2094. *Mr. Richardson.*] Can you tell the Committee whether in Victoria it is the custom still to import any portion of the work for the carriages and wagons?—Yes.

2095. What portions?—I cannot say; but they import largely. The Home-manufactured engines are the best. It has been tried to make them in the colony. They have been making them in Ballarat, but certainly not satisfactorily.

2096. Have you seen the last report of the Victorian railway line, Mr. Dobson?—No. The Hobson's Bay line paid last half-year 10 per cent., with a bonus of 5s. per share, and carried £10,000 to the reserve fund.

2097. *Mr. Macandrew.*] What did the Hobson's Bay line cost?—I have not the slightest idea. It is a most expensive line, having many iron bridges, deep cuttings, and other expensive works.

2098. *Mr. Richardson.*] On the subject of classification of goods, have you had sufficient experience to give an opinion as to whether it is advisable to have an elaborate classification for the guidance of the Stationmasters and generally?—I think it is desirable to have an alphabetical arrangement, so that the Stationmaster can turn at once to see what he wants. The Victorian Government schedule is most elaborate.

2099. Then your opinion is that the larger the classification the better?—Yes; it gives some trouble at first to prepare, but it is very desirable. You begin at A and end at Z.

2100. What is your opinion as to return tickets?—I object to return tickets totally.

2101. What would you do then, maintain single tickets?—I should reduce the single tickets and do away with the return tickets. I think there are certain cases in which you may have a reduced charge. You might have market trains for instance, and I would not ask a woman whether she was going to market, but, if she chose to travel by the market train, I would take her at the reduced rate.

2102. *The Acting-Chairman.*] Can you say what you think, in this country, would be a satisfactory rate?—It should not exceed 2d.

2103. First class?—No, second.

2104. 2½d. for first class?—Yes. And I would have a third class. I think the great bulk of the people would then go at the 2d. rate.

2105. Would you put a third class on all trains?—No.

Mr. Dobson.

24th Sept., 1877.

TUESDAY, 25TH SEPTEMBER, 1877.

Mr. WILLIAM STONE examined.

Mr. Stone.

25th Sept., 1877.

2106. *The Acting-Chairman.*] Will you state what your present position is?—General Manager, Wellington-Masterton Railway.

2107. Are you an engineer?—Yes.

2108. Mechanical or civil?—Mechanical.

2109. Will you state what experience you had prior to your present engagement?—Previous to coming to Wellington I was for nearly two years on the railway in Taranaki; previous to that I was eight years on the North British Railway.

2110. In what capacity?—As engineer in the locomotive department; and, previous to that, I was five years on the London and North-Western in a similar capacity.

2111. *Mr. Bunny.*] Mr. Stone, is the traffic increasing or decreasing on the Hutt line?—At present the passenger traffic is about stationery, neither increasing nor decreasing. The goods traffic is increasing.

2112. Is the goods traffic increasing between Wellington and the Lower Hutt?—No.

2113. Is it decreasing?—I think it is much about the same.

2114. Are you aware that the storekeepers at the Lower Hutt used to use the railway?—I am not aware of it.

2115. Are they using the railway now?—Not to any great extent.

2116. Do you know any reason why they do not use it?—I have never heard any reason.

2117. Have you ever thought it your duty to ask them why they have ceased to use the railway?—I have never been to the parties. I make inquiries of the station clerks.

2118. And what is the answer?—That they hear no complaints, and know no reason why they do not use the railway.

2119. You do not think it your business to make direct inquiries?—Not direct to the storekeepers.

2120. How often do you travel up the line?—Once or twice a week.

2121. Have you ever travelled by the late train?—Never.

2122. Has it been reported to you that the lights at the station at the Lower Hutt were all out when the night train arrived there?—I believe in one case it was reported to me.

2123. Can you give me the date of that?—It might be six weeks or two months ago, I think.

2124. Was anything done?—The porter was absent and overslept himself. That was the only case I heard of. That was the explanation I got.

2125. Have you ever heard of any case of a train arriving, and no one to look after the points?—On that occasion.

2126. No previous occasion?—No.

2127. Is it not a serious thing?—I reprimanded the porter. He said it was the first time it had occurred. The porter went home and had fallen asleep.

2128. Do you think that, by any alteration in the tariff, a great deal of traffic which now goes on the road might be brought on the railway?—As far as I have been able to think it out, I do not think there would be a material difference. I have put it down to the system of cartage they have.

2129. You do not think it part of your duty to ascertain from persons whose traffic would be considerable on the line, and who do not use the lines, what their reason is for not using the line?—If I met with those people I would ask them.

2130. You do not think it part of your business as Manager to go direct to them?—Not to go direct in every case.

2131. *Hon. Mr. Richardson.*] Had you any experience at all in the management of the traffic part of the business before you came here?—Not direct; only from observation.

2132. The accounts of both those lines you have been on are rendered weekly?—Yes.

2133. Are you in a position to say whether, if there was a change made to render these accounts monthly, it would be any saving?—As far as I can judge at present there would not be any advantage in it, with our present traffic.

2134. *Mr. Larnach.*] Do you think it possible to increase the traffic of the Hutt line by running early and late trains daily, suitable for mechanics and workmen to travel by?—I do not think it would pay working expenses.

2135. What are your reasons for thinking so?—From observations at Home.

2136. What has Home to do with this?—My idea is that workmen do not care to live in the country. The North British Railway works were some two miles out of Glasgow. The company built houses and let them at low rents, and other houses were built, still the workmen would not live in them. They said "We must have trains," and they had to start from Glasgow before 5 in the morning, and did not get back till after 7 at night.

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2137. What distance would they have to travel?—Two miles each way.

2138. Are you aware that on the Port Chalmers line several townships have grown up since the early and late trains were commenced?—At Home the young single men said it was too dull to live in the country. Men with families could get employment for their sons and daughters in the towns.

2139. Cheaper rents might induce them to live along the line?—Yes.

2140. It might be an inducement to run at cheaper fares?—It comes to a question how much a man could save in rent by living in the country, and whether his travelling expenses would come to the same amount.

2141. Is it not better to carry passengers at lower rates and have full trains, than to carry them empty. Take your present trains: According to the present hours they run, if fares on Saturdays or days that people could get away from town were lowered, more people would like to travel?—We have a low rate for Saturdays and Sundays, and are carrying more people, but we are not deriving much profit from it; but that will be altered as the weather gets finer.

2142. Do you not think it would be advisable to start early and late trains?—Yes; but you cannot stop them, if people build houses on the faith that trains will run.

2143. Did you, in all your experience, never know railways to increase in traffic and settlement in the direction they run?—Yes, in some districts. It does not apply in all.

2144. Do you not think that, from the few outlets in Wellington, the Hutt Railway is particularly favourable in that respect, and that the running of early and late trains would tend to increase settlement in that direction?—There is no doubt settlement will go on in that direction, because there is no other outlet for it.

2145. You think it would be worth trying?—I scarcely think that. So far as I have been able to judge, the middle-class people are the greatest travellers.

2146. Do you think you run sufficient trains now?—Taken altogether, we run about as many trains as are required for the present traffic.

2147. You have never tried to run more, so you do not know?—We are running three late trains, and they do not pay every night.

2148. It would not pay persons to live at the Hutt, if they could only get out three nights a week. If they could get home every night, they might be induced to live there. Do you not think that possible?—If you would make that remark refer more to the middle class, storekeepers and professional gentlemen, there would be no objection to running trains at hours suitable for them, but not for the workmen as a class.

2149. We will take the public generally—clerks, &c.?—It becomes then a question of what hours would be most suitable for clerks and that class of people.

2150. Do you think that an extra train on Sunday would increase the traffic. The trains run at most inconvenient times here. Do you not think if more frequent trains were run on Sunday the traffic would be increased?—It is possible, when we get finer weather.

2151. Mr. Bunny.] Do you keep a book in which you enter a report when you make your periodical visits up the line, and anything that strikes you?—No; I have not been in the habit of making that report.

2152. Have you nothing to show the days upon which you pay these visits?—No.

2153. Have you nothing in your books which would show this case of want of lights?—I have the report from the driver and guard, and the porter's explanation.

2154. The Acting-Chairman.] From the returns before me, it appears that the expenses of the Wellington-Masterton line exhaust all but about 14 per cent. of the gross earnings of this line?—Yes.

2155. Is that a reasonable state of affairs?—The expenditure is high, compared with the receipts.

2156. Is it exceedingly high?—Yes, I should say so.

2157. Does that allow for depreciation?—No.

2158. Wear and tear of rolling-stock?—No.

2159. Is it a fact that, if due allowance were made for depreciation, there would be a deficiency?—A very small deficiency.

2160. From day to day?—Yes.

2161. Referring to the classified statement at page 39, there has been a great increase relatively of earnings during the past six months?—Yes.

2162. Can you account for that?—There is one thing—the whole of the rolling-stock is getting older, and requires more repairs, and the same with the permanent way.

2163. Do you mean to say the repairs are included in that?—Yes.

2164. And that accounts for the high charge?—Yes, partly; and then there is the increase in the pay to employes, there being a larger number.

2165. Do you see any possibility of an improvement in the traffic—in the receipts?—Yes.

2166. Whence do you expect that?—I mentioned that the passenger traffic was about stationary, but I anticipate an increase as the weather gets finer. There is an actual increase in the revenue from goods traffic.

2167. Do you anticipate that within the next two or three years there will be such an increase as will bring the thing to reasonable profit?—Yes.

2168. That would entail further depreciation?—Not to any great extent.

2169. Do you see any means of improving the traffic?—I do not see anything that would make any great alteration. They have at present a minimum rate for passengers, which is two miles. I think that might be reduced to one mile. That minimum has slightly affected the traffic to Kaiwarawara, which is a little over a mile and a quarter, and is charged as two miles.

2170. Do you think third-class trains would increase the net returns?—I do not think they would, because they have the low fares now on the Saturdays, and it is perhaps the most convenient day for the poorer class to travel.

2171. Of what does your goods traffic chiefly consist?—Firewood, sawn timber, posts and rails, and sand and gravel.

2172. Any live-stock?—Very little; just occasionally.

2173. Wool?—I have had no experience of the wool season.

2174. Does the railway get the major part of the goods traffic in these items you speak of?—It does.

2175. That is to say, that timber, firewood, and so forth are not extensively carried by other means?—No.

2176. *Hon. E. Richardson.*] Do you get the larger share of the goods going up the country?—I could scarcely say. The amount is small we get going up; but I could not say what the total quantity is that goes up by road and rail.

2177. What other means of communication outwards from Wellington are competing?—The main road runs parallel with the railway. It is a first-class road nearly all the way up.

2178. Can things be carried more economically by road?—I think so, if going for a distance up the country. It appears to be so, unless they find it more convenient.

2179. Will the moving of the station from the end of the town tend to increase the goods traffic?—Not much, I think. Of course, there will be perhaps a quarter of a mile difference in the carting.

2180. What do you think will be the effect of the opening of the next length to Kaitoki?—I have not been there, and am not acquainted with the country. I have formed no opinion of my own.

Mr. Stone.

25th Sept., 1877.

FRIDAY, 28TH SEPTEMBER, 1877.

MR. CONYERS examined.

The Chairman: Mr. Conyers is present to explain questions 390 and 391, page 18.

2181. *The Chairman.*] Mr. Conyers, in question 391 I put a question to you, and I now wish you to explain to me whether you desire to qualify that answer. The question was as to the number of wagons?—I merely wish to state that 287 broad-gauge wagons will not be taken off the Port Lyttelton line immediately; they will be left until we are satisfied we have sufficient narrow-gauge wagons to carry on the work properly; but the gauge from Christchurch to Amberley will be altered at once. The Lyttelton line will have the broad-gauge for some time longer.

2182. At present, Mr. Conyers, all the constructed lines are under the management of the Engineer-in-Chief?—They are.

2183. Will you give the Committee some idea as to how that works with regard to repairing permanent-way, where sleepers and stores or rails are required?—For the purpose of repairs?

2184. For the purpose of repairs.—The line that is finished?

2185. Yes. Just tell us what is the *modus operandi* of obtaining sleepers for the maintenance of the way and rails?—Under the present system there are two distinct store departments—one connected with constructed railways, and one belonging to construction, and the whole of the permanent-way materials in store are held by the construction department, so that if one of our gangers on the Canterbury Plains requires rails or sleepers for repairs, he makes out a requisition on his Sub-Inspector; next, the Sub-Inspector requisitions the Inspector; third, the Inspector requisitions the Resident Engineer of Constructed Railways; fourth, the Resident Engineer of Constructed Railways requisitions the Railway Storekeeper; fifth, the Railway Storekeeper requisitions the Public Works Storekeeper; sixth, the Public Works Storekeeper requisitions the Public Works Resident Engineer; seventh, the Public Works Resident Engineer requisitions the Inspector of Stores, Wellington. The next process is as follows:—Eighth, the Inspector of Stores authorizes the Resident Engineer of Public Works; ninth, the Public Works Resident Engineer authorizes the Storekeeper of Public Works; tenth, the Public Works Storekeeper authorizes the Railway Storekeeper; eleventh, the Railway Storekeeper authorizes the Inspector of Public Way; twelfth, the Inspector of Public Way authorizes the Sub-Inspector of Public Way; thirteenth, the Sub-Inspector of Public Way authorizes his ganger. I may mention that the result has been that the gangers take sleepers and rails and put them into the lines without authority, and it cannot be wondered at that they do so. I am not surprised. A rail may be wanted on an emergency, and they know where the rails are lying. They simply take them and put them in, and the consequence is, when stock is taken, they are in a muddle, because one department takes from the other without authority.

2186. *Mr. Macandrew.*] You do not mean it to be understood in the sense of the ganger taking material for himself?—He knows there is such a lot of time lost before he can get the material, that he prefers to run the risk of taking it without authority.

2187. *The Chairman.*] And how long does it take for this *modus operandi* to be performed?—I should say from two to three weeks.

2188. I want to ask you with regard to another question. Any imprests which are allowed you from the Colonial Treasury, are they not allowed to the General Manager in the South Island?—Yes.

2189. Until you account for that imprest, can you get your salary paid?—My own?

2190. Yes?—If there is any balance unaccounted for, they stop it. I have had it stopped once.

2191. Was that because you were behindhand in accounting for your sleepers?—Yes.

2192. Are there many of the salaries in the South Island paid from Wellington?—No; all from imprest. I have only two from Wellington direct.

2193. How long is that in force?

2194. Have you at any time since this Committee met had the day labourers paid by cheques from Wellington?—I have in Otago.

2195. And that has been changed lately?—Only two salaries are sent from Wellington, my own and another.

2196. Who is the other?—My clerk.

2197. But at one time even labourers were paid by cheque sent from Wellington?—Yes. Of course the cheques had to be countersigned by somebody else, after they got there; that is all abolished now.

2198. *Mr. Macandrew.*] Are the sleepers branded with a broad arrow?—Yes.

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2199. *The Chairman.*] And are the rails?—No; the rails have marks placed upon them in England by the maker—N.Z.R. It is done at the time they are made.

2200. I have been furnished with an account from a very large firm in Canterbury, Cunningham and Co.; they have one of the largest establishments in the South Island. Their account for four weeks amounts to £9 9s. 8d., in which they discovered eight errors; they returned it to the office for rectification; they were then furnished with sheets called overcharge remittance sheets. There are no fewer than five of them here appended. The first overcharge sheet is for 5d., the second for 5d., the third for 5d., the fourth for 2s. 6d., the fifth for 3s. 8d.; all of which they required to sign and return before they can settle the account?—Yes.

2201. And this account is dated 20th August, and this other 27th September. Now I want you to look at these papers, and say if that is the system of running accounts in the railways now?—Do you mean as to errors?

2202. Is that the new system of auditing accounts and rectifying errors?—This is the new system and the old. It is the universal rule with regard to overcharge sheets, with this difference, that under the new system the Stationmaster or the Station Clerk must get a receipt from the person to whom the overcharge has been made. For instance, suppose I charge you 10s. for carrying goods, and we discover an error of 2s.—that is to say, I should only charge you 8s.—I write out one of these overcharge sheets, to show to the Audit that I have paid you that 2s. Under the old system, the only difference was, the consignee or owner would never see what was signed by the Manager, only the Audit in Wellington took the Manager's signature for this; whereas now we have to expose our little shortcomings to the world.

2203. You simply expose them to the public?—Of course. I think the man who has made this error should be punished for it. It shows he is a blundering fool.

2204. It is not the railway clerk that does this; it is done in the goods shed, is it not?—It is the men that compute the rates.

2205. Here is an instance of 1 ton 118 lbs.?—It is a consignment of small loads, and he has made a charge upon each.

2206. Instead of sending accounts, they put the public to trouble to get receipts for 7s. 4d.?—Yes. You see in the books at the station they debited this account of £9 9s. 8d., and the station clerk is responsible to the Audit in Wellington for that amount. The instructions are, if you have made an overcharge, you are to remit it to the person to whom the overcharge has been made, and the signature to the overcharge shows that it has actually been repaid. Under the old system in Otago, we had the same overcharge sheets, but these would have been sent to my office, and I should have looked into it carefully. I never handled the money in any form. If satisfied the overcharge should be made, I signed this as correct, and the Provincial Auditor would sign, whereas they now insist upon having Mr. Cunningham's signature. I submit the overcharge sheet cannot be done away with.

2207. Except making it public?—No; it is not advisable the public should know.

2208. I have been desired to ask you a question with regard to the advisability of allowing the railway fire-engine to be retained in Lyttelton, instead of Christchurch as at present?—Certainly not. I should say Christchurch by all means. Shall I give reasons?

2209. Yes?—The City Council is moving in the matter. They had a serious fire in Lyttelton two months ago. Some difficulty was experienced in getting the fire-engine from Christchurch, but I was instructed to send the fire-engine to Lyttelton and keep it there, and I did so. Since then Lyttelton waterworks have been completed, and are now in full operation. A fire took place there two or three weeks ago, when the waterworks proved to be very effective. The fire was extinguished at once. I think at the present time the fire-engine should be brought back to Christchurch, to the place where it belongs to, where the Government property is. It would be far safer.

2210. I suppose it can be used in all directions?—Oh, yes. It is kept on a truck. I am at present building a large truck close to it, and it can be worked without being moved at all. It can be run up or down the line in any direction, north or south. The truck is so arranged in the engine-house that the fire-engine can be run off the line to any part of the city. The truck floor of the house is level. The truck can be run off the line, and the engine used in the station, or worked where it stands. It is the most powerful fire-engine in New Zealand.

2211. I would like to ask you whether you do not think it is necessary the block system should be used on all lines where there are tunnels?—Where there are tunnels by all means the block system. I would not recommend it anywhere else in New Zealand.

2212. And to do that it will be necessary to have every station connected by telegraph wire?—Where the block system is worked we must have a special stock of instruments, and a block wire. It is in operation now in the Lyttelton tunnel. No train can move out of that tunnel without the knowledge of the signalman at the end. The instant it enters the tunnel the line is blocked, and no train can enter the tunnel until the other is seen to leave at the point of exit. The same plan should be adopted at Caversham, Chain Hills, between Moeraki and Oamaru, Deborah Bay, and all the tunnels. It would be a very serious thing where one train is entering a tunnel and another following closely upon it, if the first train were to break down.

2213. *Mr. Macandrew.*] What system would you adopt on the Port Chalmers tunnel?—I would divide the Port Chalmers tunnel into two sections, and work upon that system.

2214. Then the only risk would be the telegraph apparatus failing?—There cannot be any risk. Suppose a train has entered the tunnel, the lines are blocked. If the train were to break down no danger could occur to another train, because the line would not be shown clear. We have two wires, one for the block instruments and one for what we call the speaking instruments—they can speak to each other in the ordinary way. It is a separate wire altogether. I have never known it to fail yet. If the wires break the danger signals are hoisted, and all the line is blocked. At Lyttelton, the man who works the block instrument in the valley also works the semaphore signals, and the same operation he uses to set this signal clear from the main line to the tunnel sets all the points clear too, so that really nothing can happen. Everything is altered by the revert signals or points, the revert signals

being worked at the same moment. Every railway station in the Island should be supplied with a telegraph instrument, not only for the use of the railway station but for the public, who would often find it a convenience. I am quite willing to pay half the salary at every railway station in the country, the amount to be charged against railway expenses.

The witness then withdrew.

The Hon. WILLIAM HUGH NURSE examined.

Mr. Conyers.
—
28th Sept., 1877.

Mr. Nurse.

2215. *The Chairman.*] You are a member of the Legislative Council?—Yes.

2216. I believe, Mr. Nurse, you wish to give some information to the Committee with regard to railway management?—Yes. It is with reference to the trains not running on the Bluff and Invercargill line on Sunday.

2217. Will you be kind enough to state what is the nature of your information?—I only wish to inform the Committee that the fact of the trains not running on Sundays is a serious inconvenience to the travelling public, not only of Southland, but of people coming from Australia. I myself on one occasion suffered inconvenience by being detained at the Bluff the whole of Sunday. I have been requested by many people in Southland to endeavour to have this restriction removed.

2218. Do you mean it is not only in your opinion desirable, but also in the opinion of the majority of the people there, that the trains should run every Sunday, or only run to meet steamers?—Many people wish them to run every Sunday to the Bluff. Many of the labouring classes would avail themselves of a Sunday train to go to the seaside with their families.

2219. And in your opinion it would pay to do it, leaving out the Sabbatarian question. Do you think it would pay the Government?—That is a question I could not answer positively. It is my own private opinion it would—certainly in summer.

2220. Do you think the great majority of the people would be willing the Government should run trains there on the Sundays—I mean irrespective of cases of emergency, meeting a mail steamer, and so forth?—Well, if they are mail steamers there is usually a train sent, but it is not a rule to run to meet other steamers. I think it is hardly fair to make it a question of what the Invercargill people wish; it is a thing which concerns the whole colony. The travellers arriving from any other place may wish to go inland.

2221. I am speaking of running constantly on Sundays, as against running simply to meet the steamers?—I could scarcely answer that question. There is, I am aware, an expression of opinion against it that is got up by what may be called the Sabbatarian party.

2222. *Mr. Macandrew.*] Is it not a fact that trains do invariably run to meet mails either out or in?—Yes, to take mails.

2223. And all the Melbourne steamers, of course, have a mail both ways. I understand that the only steamers calling at the Bluff are mail steamers, or the "Wanganui," from Dunedin?—Yes. It was in the "Wanganui" that I had the misfortune to be delayed; but there are steamers calling other than mail steamers.

2224. Mr. Nurse is not prepared to say whether it would pay or not?—It would in summer, certainly; but whether all the year round, Mr. Arthur or Mr. Conyers, who are now in Wellington, would be able to inform the Committee better than I could.

2225. *Mr. Lumsden.*] Then you think that trains should leave irrespective of arrival or departure of steamers?—Yes. The Bluff and Invercargill Railway is an exception to the general rule existing on the other railways—between Lyttelton and Christchurch, Picton and Blenheim, Wellington and the Hutt, and Port Chalmers and Dunedin. It seems an extraordinary anomaly that the Bluff should be excepted.

2226. Your complaint has no reference to the Bluff and general Otago lines. You would not extend the privilege beyond that section?—No. I do not think they desire it on the other lines—at least, I believe not.

The witness then withdrew.

APPENDICES.

APPENDIX A.

[Furnished at the request of the Committee.]

Number of Passengers booked at Lyttelton, Christchurch, Ashburton, Malvern, Eyreton, Oxford, Amberley, and Intermediate Stations on the under-mentioned Saturdays of June and July, 1876 and 1877, respectively.

1876.				1877.			
Saturday.	Number.	Saturday.	Number.	Saturday.	Number.	Saturday.	Number.
June 3	2,055	July 8	1,824	June 9	2,296	July 7	1,701
" 10	1,656	" 15	1,688	" 16	1,588	" 14	1,634
" 17	1,756	" 22	1,675	" 23	2,005	" 21	1,587
" 24	1,511	" 29	1,703	" 30	1,824	" 28	1,725
Total	6,978	Total	6,890	Total	7,713	Total	6,647

APPENDIX B.

Mr. JOHN HENDERSON to the CHAIRMAN, Railway Management Committee.

DEAR SIR,—

Wellington, 10th September, 1877.

I have the honor to send the following details in reply to the questions asked by the Committee with reference to the comparison between steel and iron rails.

The strength of a rail with puddled steel top, as compared with an iron rail, to resist a dead weight or bending strain, is in the ratio of 7 to 6 nearly, or in other words a rail with puddled steel top 34·3 lbs. per yard will be equal to an iron rail 40 lbs. per yard. The ratio of wear will be much greater in favour of the puddled steel-top rail, being about 6 to 1. The ratio of price is about as 7 is to 8·5.

By using puddled steel-top rails 34·3 lbs. per yard, and which will in every respect be equal to the iron rail 40 lbs. per yard, there would be an actual saving in the first cost of about £14 per mile, and the steel-top rail would at the very least last four times as long; thus, taking the life of the iron rail 40 lbs. per yard in New Zealand to be thirteen years, the steel-top rail 34·3 lbs. per yard will last fifty-two years; and at the end of the fifty-two years there would be a saving in favour of the steel-top rail of nearly £8,000 per mile, or on 1,000 miles a saving of about £8,000,000 would be effected in fifty-two years.

Again, if we take a rail entirely steel and of the same weight as the rail with puddled steel top—viz., 34·3 lbs. per yard—the ratio of price being about as 7 is to 9·5—we find it will cost more in the first instance than the iron rail of 40 lbs. per yard by about £39 per mile; but, taking its life as fifty-two years, whilst the iron rail lasts only thirteen, by the time the steel rail is worn out a saving of £7,000 per mile would be effected, or on 1,000 miles no less a sum that £7,000,000 would be saved in fifty-two years by using the steel instead of the iron rail.

The foregoing figures are startling, and may at first sight appear to be mythical; but the calculation by which they are arrived at is simple—the interest alone, which is calculated at 5 per cent. compound, effecting about two-thirds of the whole saving.

The wear and tear of the rolling-stock would also be considerably reduced by substituting a steel for an iron rail.

The Chairman, Railway Management Committee.

I have, &c.,

JOHN HENDERSON.

APPENDIX C.

Mr. JOSEPH STOCK to Mr. THOMAS ARTHUR.

SIR,—

Invercargill, 4th September, 1877.

Referring to my letter of 21st August last (copy herewith), I have now once more to urge upon you the desirability of bringing the matter therein referred to before the Government, with a view to having it rectified at as early a date as possible. The Chamber is rather surprised that the same rates have not been adopted on the Invercargill line as those that exist on the Port Chalmers Railway for the carriage of goods, as it must be manifest to you that the reduction made in Dunedin gives the merchants there a decided advantage over the mercantile community here in supplying the up-country districts, especially those at an equal distance from their respective centres.

The Chamber understands that in consequence of the competition by water carriage from Port Chalmers to Dunedin the railway tariff has been reduced. The Government must be aware that this is manifestly unfair to this community, not so favourably situated, and should the present railway rates here be retained, it may give rise to opposition by water carriage in the same manner as at Port Chalmers. In proof of the injury done to us, I need only instance that it is a fact that Dunedin merchants can and are landing goods by sailing vessels from Dunedin to Invercargill Wharf at a less cost than the railway rates from the Bluff to Invercargill. This is not the only evil arising therefrom, as you will perceive that in both cases the railway carriage is evaded, causing thereby a loss to that department.

As to matters of detail you are fully aware of all these, as well as the Chamber, and I would express the hope that you will lose no time in bringing the matter at once before the Government.

I have, &c.,

JOSEPH STOCK,

Chairman, Invercargill Chamber of Commerce.

Thomas Arthur, Esq.,

Traffic Manager, Southland Railways, Invercargill.

APPENDIX D.

Mr. THOMAS ARTHUR to the SUPERINTENDING ENGINEER, C.R., Christchurch.

Invercargill Station, General Manager's Office,

SIR,—

23rd August, 1877.

In reply to your Memorandum of date and number quoted as below,* instructing me to report on the working of the new tariff, and to suggest any alterations I may deem advisable as likely to be conducive to the interests of the department,—

I have the honor to advert, in the first instance, to the working of the tariff as effecting sea-borne goods, *i.e.*, goods carried on the Bluff Section, and coming under goods classification A, B, C, and D, such goods being railed as per B/L; and to state that in this instance the tariff has caused great dissatisfaction amongst the mercantile community. Although at first sight the new tariff would appear generally to be more favourable to the merchants than the old tariff, they (the merchants) find that, from the miscellaneous character of the goods imported by them, the rates at present charged are, in consequence, in excess of those under the old tariff. Formerly the rate for carriage of general

* 16th August, E. 189.

merchandise between Bluff and Invercargill, and which included delivery within a radius of a half-mile from the Invercargill station, was 7d. per ton per mile, and gave general satisfaction, minerals, &c., being excluded as regards cartage.

The following telegram appeared in the *Invercargill Times* of the 21st instant: "Goods—Classes A, B, C, and D, are to be carried on the Port Chalmers line at D rates. Instructions have been received to-day. The rates are now lower than ever they were." As might be expected, this telegram caused no small amount of astonishment and dissatisfaction to the merchants and traders here, who contend that the change in rates should, without doubt, and in common justice, be applicable to goods carried over the Bluff Section. No doubt competition with water carriage may well be urged in favour of the alteration of rates on the Port Chalmers line, but the merchants here view it in the light of giving the Dunedin merchants a monopoly of the Invercargill trade, and aver that the same plea may be urged in their case, as unless a like concession is made to them they will be forced to bring their Dunedin shipments to Invercargill jetty, and to have goods *via* Bluff lightered to Invercargill.

Apart from considering the difference in freight on Port Chalmers and Bluff lines, I would strongly urge the advisability of carrying goods on the Port line under one class (excepting minerals, &c., and would recommend that the rate should not exceed 7d. per ton per mile without a terminal charge, such rate to include delivery within a radius of a half-mile from Invercargill station. In many cases this might appear inequitable, but it must be borne in mind that in most cases provision is made in B/L for goods of unusual bulk or character, which would also be applicable in charging railway freight. If such were the case on this section, I am fully satisfied that the interests of the department would be furthered thereby, and at same time present cause of complaint on the part of the merchants would be obviated, or at least considerably lessened.

Local Traffic.—As regards local traffic under goods classification, those interested doubtless are benefited from goods being carried by dead weight of 2,240 lbs. to the ton, and but little, if any, ground is given for complaint, unless in cases of inequality of value as against weight or bulk, which can be remedied from time to time as particulars are brought under notice and reported upon with a view to adjustment, &c. I would submit the following as an instance: Grass seed from Bluff to Edendale is carried according to B/L; from Bluff to Invercargill, under Class E, at double rates, while freight is charged by measurement. I am of opinion that in this and similar cases on the Port line single rates only should be charged.

Classes E, F, and G.—Generally satisfactory.

Sawn Timber.—The rate of 6d. per 100 per mile works satisfactorily in the case of saw-millers within short distances of shipment, but the owners of saw-mills over thirty miles from the Bluff complain, and I believe with reason, that the above rate almost precludes the possibility of their engaging in the export of timber. I therefore would recommend that the rate be made $\frac{1}{2}$ d. per 100 feet per mile for thirty miles, and $\frac{1}{4}$ d. per 100 feet per mile for further distances. Unless some such alteration be made the timber traffic will be seriously affected. I would further venture to suggest that a minimum charge of say 7s. per truck be established for small quantities of timber for distances under ten miles. Should the above suggestions be acted upon, this very important source of revenue will be encouraged and increased.

Special Trains.—The present rate of 20s. per mile is, in my opinion, prohibitory, and I consider that if the rate were lowered from 20s. to 10s. per mile, with a minimum charge of £5, there would be a marked increase of revenue from this source, more especially in cases of emergency, when special trains would be oftener brought into requisition. While on the subject of special trains, I would advert to the falling off of revenue for special trains hence to the Church of England Cemetery, a distance of three miles from Invercargill station, the former rate for which was £3, now increased to £5 per train, which has caused other modes of conveyance to be universally adopted. This being the case, I would recommend that the former rate of £3 be reverted to, train to consist of three carriages, with a further charge of 5s. for every carriage over that number.

Return Tickets.—I regret to report that the system of making return tickets available for day of issue only has been most detrimental to the department, and has undoubtedly caused—and if continued will still cause—many to resort to other means of conveyance; and unless return tickets are made available for the day following that of issue, the passenger traffic will be seriously affected.

Excursion Trains.—In the event of running excursion trains, I would recommend to your favourable consideration that the rate of 1d. per mile be adopted, instead of the present rate of return tickets at single fares, which on holidays and other occasions would prove a great success, and add materially to receipts for passenger traffic.

I have no doubt, from what has been adduced, you will be able to form an idea as to the general working of the new tariff, and, should you see fit to adopt the suggestions contained herein, I feel assured that the working of this section, as regards rates, &c., will prove satisfactory and remunerative.

I have, &c.,

THOS. ARTHUR,
Manager.

The Superintending Engineer, C.R., Christchurch.

APPENDIX E.

NEW ZEALAND RAILWAYS.

Messrs. HEMANS and BRUCE to the AGENT-GENERAL, London.

SIR,—

2, Westminster Chambers, Victoria Street, S.W., 5th January, 1877.

We have, in accordance with your instructions, carefully considered the question of the relative advantages of the adoption of steel rails instead of iron rails, which have hitherto been sent out to New Zealand, for the railways in that colony.

For the most part, the rails sent out have weighed 40 lbs. per lineal yard, but at the time when

the price of rails became lower, rails of 52 lbs. per yard were indented for from the colony on the ground, as we understood, that the heavier rails could be obtained at a cost not exceeding per mile of line the amount previously paid for 40-lb. rails. A considerable quantity of these 52-lb. rails have been sent out to New Zealand, yet small in proportion to the quantity of 40-lb. which have been shipped.

We will first consider the relative advantages of the use of 40-lb. iron rails as against the use of steel rails of the same section.

For the purposes of the inquiry, we will assume the price of iron rails as being £6 per ton delivered in London, and the price of steel rails £7 15s. per ton, which we believe to about represent the difference in cost. One mile of 40-lb. rails weighs 63 tons, but, as steel is a little heavier, one mile of these of the same section will weigh 64 tons.

We have no means of knowing the number and weight of trains that pass over the various lines in New Zealand in a given time. In this country it is found that iron rails will bear the passage over them of 120,000 trains, of 200 tons each, before requiring to be removed.

In New Zealand the traffic must necessarily be light, and the speed moderate, while, on the other hand, the rails are light, and the wearing surface of the head of the rail is not so wide as in the heavier rails in England. It is probable, also, that in a new country the permanent way may not be so solidly laid, or maintained so perfectly, as it is generally here, where the loads are heavy and the speed great.

In this country, on the railways where the traffic is light, fifteen years would not be considered a long time for iron rails to last without being renewed. On heavy gradients, or at places where the brakes have generally to be applied, rails will, of course, wear out much more rapidly. We therefore assume fifteen years as being the life of an iron rail in New Zealand under ordinary circumstances; and we are not exceeding the limit of the life of a steel rail under the same circumstances, when we calculate it at three times as long as iron, or forty-five years with light traffic.

The cost of one mile of 40-lb. rails, or 63 tons, delivered in New Zealand, estimating freight and charges at 30s. per ton, will be £472.

On the basis that these will wear out in fifteen years, £31 5s. per annum would have to be laid aside in order to provide £472 at the end of fifteen years, to place new rails in New Zealand for each mile of line, leaving out of the calculation the interest which would accrue.

To this sum of £31 5s. per annum, must be added simple interest at, say, 5 per cent. on the first cost (£472), £23 6 per annum.

From the sum of these two amounts—viz., *£55 1—would come to be deducted the value of the iron rails, if brought to England and sold. For these, £3 15s. might probably be got; or, deducting 30s. for freight, the net value would be £2 5s. per ton to the Government, being a total sum of £142—

Over fifteen years would equal per annum	...	...	...	...	*£55 1
The cost to the Government per annum, per mile of 40-lbs. iron rails would therefore be	...	...	...	...	9 5
					£45 6

Steel rails of the same section, as we have already seen, weigh 64 tons per mile. The cost of these and freight will be £9 5s. per ton + 64 tons = £592. This divided over 45 years will give an annual expenditure of £13 1 for the renewal of one mile of steel rails

To this must be added, as in the case of iron, 5 per cent. per annum on the first cost of the rails (£592), or per annum	...	...	...	...	£13 1
					29 6
					£42 7

Again, we must deduct the net value of the old steel rails, which we assume at 45s. per ton, or a total per mile of £144, which, divided over forty-five years, would be equal to

					3 2
					£39 5

The cost to the Government per annum per mile of steel rails would, therefore, be £13 × £29 6 — 3 2, against £45 6 in the case of iron.

Applying the same data, but arriving at the results by allowing compound interest in providing for the renewals, the figures will work out as follows:—

Iron.—Annual requirement at compound interest to provide £472, the original cost, at the end of fifteen years	...	...	...	...	£21 7
Annual charge for simple interest on the first cost of £472, at 5 per cent., as before					23 6
					£45 3

Deduct from this the annual value at compound interest of the net amount of £142, to be realized for the old iron when rails are worn out

					6 6
					£38 7

Leaves £38 7 as the total annual value of one mile of iron rails for the first life of fifteen years.

Steel.—Annual requirement, at compound interest, to provide £592, the original cost, at the end of forty-five years

Annual charge for simple interest on the first cost of £592, at 5 per cent., as before	...	...	...	...	£3 7
					29 6
					£33 3

Deduct from this the annual value, at compound interest, of the net amount of £142 to be realized for the old material at the end of the forty-five years

					9
					£32 4

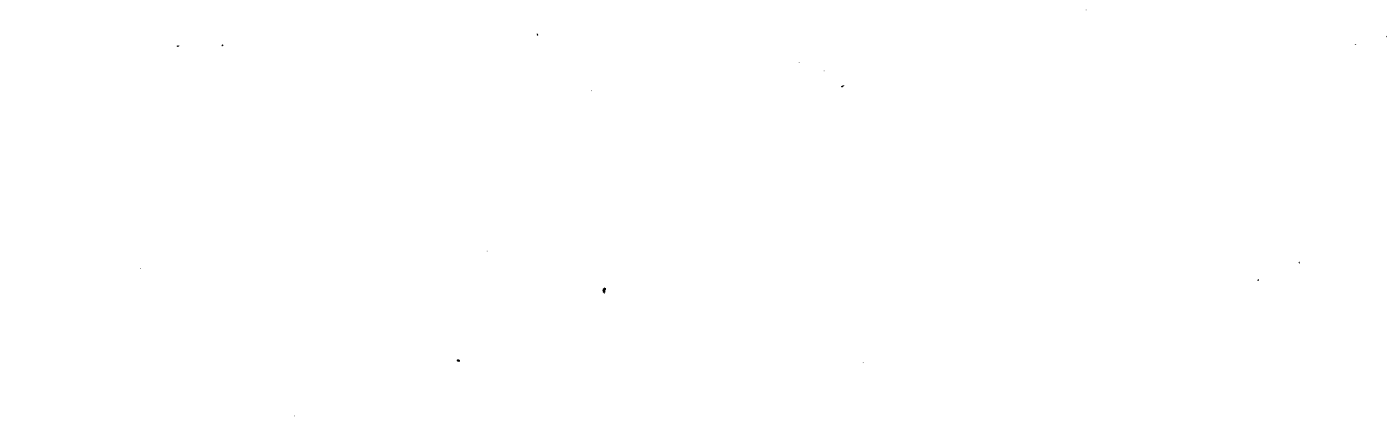
APPENDIX FA.

MEMORANDUM *re* FOLCHER'S SIDING.

THE first application was refused, 24/4/77 ; Mr. Conyers concurring that the granting of the right was undesirable. Mr. Folcher again applied, 14/5/77 ; Mr. Grant forwarded application, 18/8/77 ; Mr. Conyers recommended same, 27/8/77 ; the Minister approved, 12/9/77, and action was thereupon promptly taken. There has been no undue delay. The date of application and date of Mr. Grant's forwarding it apparently point to its having been unduly delayed in the Dunedin office, but that is evidently explained by the fact that the Manager held over the application consequently on having seen Mr. Knowles's refusal to the first application ; and he did not forward it until the railway had been open some few weeks, by which he was able to estimate the value of the traffic, and to make a satisfactory recommendation. Immediately this was done, prompt action was taken.

18th October, 1877.

J. P. MAXWELL.



Leaving £32·4 as the total annual cost of one mile of steel rails, as compared with £38·7 in the case of iron.

In allowing for the old materials, we have calculated them at the same weight as they were originally. This is not strictly correct, but as steel and iron are respectively treated in the same manner, it does not make any material difference relatively.

No doubt, where the traffic is heavy, so that iron rails would wear out very quickly, the relative advantages for the use of steel and iron are very much increased in favour of steel.

Whichever way the question is looked at, there must be a considerable saving in the end by the use of steel rails at present prices. The question which it seems to us the Government would have to decide is, whether it is of more importance to them to keep down the first cost, through the use of iron rails, than to keep down the cost of renewing these at a time when the advancing trade of the country and increased traffic on the railways may make the additional outlay of less moment than the increase of capital by the adoption of steel would be now. The increased first cost involved in the use of steel rails, as we have already seen, would be £120 per mile of single line.

If rails of 52 lbs. per yard were adopted, the figures given in the body of this report would be modified in the proportion of 52 to 40.

We are, &c.,

(For G. W. Hemans and self.)

GEO. B. BRUCE.

The Agent-General, London.

[MR. CARRUTHERS'S MEMORANDUM.]

3rd March, 1877.

THE question of steel *versus* iron rails is not now very important, as most of the rails required are already ordered. Had the Home prices been as low when the rails were purchased as they are now, I should have recommended steel rails of a heavier pattern than we have used. There is some risk of light steel rails breaking, and I do not think they should be used of a less weight than 52 lbs., and that 56 lbs. would be better.

J. CARRUTHERS.

APPENDIX F.

MR. WILLIAM FOLCHER to Mr. BROWN.

DEAR BROWN,—

Lawrence, 15th September, 1877.

Your telegram came to hand at 9 p.m. last evening. Some of the lines were down, hence the delay. I hasten to furnish you with all particulars *re* siding I am in a position to afford.

I applied to Mr. Blair, Formation Engineer, previous to the opening of the Milton and Lawrence line, for a siding to my timber yard. Mr. Blair furnished me with a form, which was duly sent to the Minister for Public Works, guaranteeing the required amount of £300 per annum. I was also strongly supported by several merchants of Dunedin—Messrs. Guthrie and Larnach, Findlay and Co., Mackerras and Haslett, &c. Mr. Blair saw my place on the opening day, and said I was not to trouble myself any more about it, the siding should be put in immediately. I heard nothing more for the next two months, when, calling on Mr. Blair to see the reason of the delay, he (Mr. Blair) handed me a letter, which stated the Minister could not recommend it, as he was afraid the traffic would be too light. Meantime my traffic was increasing, and I had brought the matter under the notice of the General Traffic Manager, who, seeing the amount I was paying monthly, induced me to send in another application, he promising to recommend it; also that Mr. Blair had withdrawn his objection, and the thing would be granted. All that was required was the assent of the Chief Engineer. I heard nothing further, until a few weeks since Mr. Armstrong, Engineer of Constructed Railways, came to Lawrence. On applying to him for information, he said he had heard nothing of the matter, and it would have to go through him to Wellington. I went to Dunedin, and saw Mr. Grant with Mr. Armstrong. They agreed to send forward the papers connected with the affair, and both promised to support my application. I was in Dunedin last week, and find that the General Manager's Department are still waiting for sanction from Wellington. I shall, therefore, feel deeply indebted if you will kindly see the Chief Engineer, and explain matters to him, so that I may get the thing done as soon as possible. I might state that last week I had seven truck-loads of timber at the station at once. It would have been a saving of £10 to me had I had the siding in; and at present we have four trucks standing. These could all have been unloaded in a few hours in my yard, whereas with horse labour it takes some days.

I have no documents but two letters, which tell me I shall hear more definitely in a few days—the last one dated July 7. I furnish you with a statement of the amounts I have paid monthly since the opening of the line to Lawrence, and I have no hesitation in saying that, had they put in this siding for me some months since, my traffic would have doubled itself. The length required would be about 2 chains—you will say not a very great matter, seeing that it would help to make the line a payable one. Trusting you will be successful in pushing forward my interest in this undertaking,

I have, &c.,

WILLIAM FOLCHER.

Statement of traffic since opening of Lawrence and Milton Line, April 2, 1877:—Payments for months of April, £41 2s. 6d.; May, £96 7s. 6d.; June, £60 8s. 1d.; July, £46 3s. 9d.; August, £60 11s. 8d.: total, £304 13s. 6d.

Guarantee required, £300. Length of siding, 2 chains.

I have offered horse labour for filling in and ballast.

W. FOLCHER.

APPENDIX G.

Mr. C. M. TESCHEMAKER to Mr. LARNACH.

DEAR LARNACH,—

Taipo Hill, Mateno, Otago, 15th September, 1877.

You pay the penalty of being a public man by being victimized with this letter. I hear that you are on the Committee of Inquiry *re* Railway Tariff, or whatever the Committee be termed. I am interested in the matter, as follows: I want to take from the Waitaki 14,000 sheep to the Marlborough Province. The sheep must be railed to Amberley—I think the station is called. Well, the charge for a truck holding, say, ninety sheep, is 1s. 6d. per mile for the first ten miles, and 1s. per mile after that.

The cost to me would be £8 for ninety sheep (this is the sum if you calculate the distance), or 1s. 9d. per head. The original cost of the sheep would not be more than 3s., I fancy, or thereabouts.

Say the railway took seventy trucks at £8 each in the day for one goods train, it would receive £560. I think that one-third would amply pay the Government.

Could it not be arranged that for moving large numbers special arrangements can be made?

I am certain that the sheep (14,000) could be driven for less money than 7d. per head. Surely the rail should do it for less. If a reduction such as I suggest were made, numbers of sheep would be moved.

This would probably occur in February, before the grain traffic.

C. M. TESCHEMAKER.

APPENDIX H.

Mr. W. THOMSON to the CHAIRMAN, Railway Management Committee, Wellington.

SIR,—

Christchurch, 29th September, 1877.

I have the honor to enclose copy of my evidence given before Railway Management Committee, which was forwarded to me for correction. I regret not being able to return it sooner, but it was fully a week after my return to Christchurch before it was sent to me.

There are several very important and wide-bearing questions, which, on the spur of the moment, I have not done justice to; and I would also point out that in consequence of some of my answers assuming a conversational character (by reason of interjections of members), they have the appearance of travelling beyond the actual question.

The answers *re* two audits are not very clear to the uninitiated. My meaning is simply this: While a break exists in the communication of the Middle Island railways, and traffic is *not* booked through, an audit in Christchurch and another in Dunedin is absolutely necessary, but as soon as communication is uninterrupted, and through booking commences, two audits would give a deal of trouble.

I would also express my opinion that the traffic department being subject to the engineering department is a mistake, and contrary to common sense and the practice at Home.

The Chairman, Railway Management Committee, Wellington.

I have, &c.,
W. THOMSON.

APPENDIX I.

(In answer to Telegram sent in pursuance of Resolution of Committee.)

W. MILLS, Esq., to the Hon. the COLONIAL SECRETARY, Wellington.

(Telegram.)

STEEL rails are now generally used on our lines, 41½ lbs. to the yard. Our iron rails, same section, were 40 lbs. to the yard. We consider steel rails at present prices, all things taken into account, far superior to iron, and cheaper in the end.

WM. MILLS.

Brisbane, 24th September, 1877.

APPENDIX J.

Mr. W. BRUNTON, C.E., to Mr. E. J. C. STEVENS, M.H.R.

SIR,—

Invercargill, 22nd September, 1877.

Your telegram No. 250, of date 19/9/77, requests answer by first mail. It is short notice, but the following are my views:—

1st. As to relative merits of steel rails compared with iron.

An engine has not the same tractive power on steel rails as she has on iron.

Steel rails, especially with sharp curves, and steep inclines, wear out the wheels of rolling-stock far more than iron.

Steel rails will granulate, and become brittle and dangerous, sooner than iron. The steel points and crossings imported to New Zealand have given proof of this in Southland; they are continually breaking.

In fact, if I was constructing a railway at my own expense, I would certainly not use steel rails. A young and struggling country should not, in my opinion, speculate in anything new; let long experience elsewhere prove it to be advantageous before doing so.

2nd. On being first laid, I should say a steel rail of 40 lbs. weight per yard, laid under the same conditions as an iron rail, would be as secure and efficient, for a time, as an iron one of 15 per cent. increased weight—viz., 46 lbs. per yard.

I think I have made it plain in the above that I am not in any way in favour of steel rails, and can only reiterate such opinion in answering your questions Nos. 3 and 4.

5th. New Zealand railways, when first initiated, were bound by Act of Parliament to cost not more than £5,000 per mile; lightness of material was a necessary consequence, and 40-lb. rails was one consequence. And I think that these rails, with light engines and rolling-stock, was a move in the right direction, in a new country developing itself, with railways run at the speed as at present; but it would not be politic to run faster.

When these have to be renewed, put in a 52-lb. rail. Too much inspection can hardly be given at Home to secure rails being properly rolled, and of iron, in quality and mixture, of the best description and proportion.

There is one matter, however, I would call your attention to—viz., your joints (*i.e.*, Ibbetson's clips). During the time I had the supervision of this portion of the New Zealand railways I saw that they were weak and inefficient as a joint, not rendering accidents a necessary consequence, but tending to destroy the ends of your rails far sooner than with well-designed fish-plates. Three years ago I recommended that under each joint a sleeper should be inserted. My recommendation had no effect; but I still hold the same opinion, and can point out one mile of line which has been thus treated, and though for eighteen months I have not seen the effect, as compared with the general method in use, would refer you to the persons to whom the maintenance of such portion is intrusted.

I have, &c,

E. C. J. Stevens, Esq., M.H.R.,

W. BRUNTON, M.I.C.E.

Acting-Chairman, Railway Management Committee, Wellington.

APPENDIX K.

Mr. F. G. CLAYTON to Mr. J. A. TOLE, M.H.R.

DEAR SIR,—

Newmarket, 21st September, 1877.

This afternoon I was at the railway station here on a little business, and while there the 3.15 train from Onehunga came in, and not a single passenger, either first or second. Since the fares have been revised the traffic has lessened, whilst the 'busses are crowded that ply between Auckland and Onehunga with passengers inside and out.

If you think you can make any use of this in the House do so. My suggestion would be, make the fares so as to compete with the road traffic.

I have, &c.,

F. G. CLAYTON,

Chairman, Newmarket Highway District, Auckland.

J. A. Tole, Esq., M.H.R., Wellington.

By Authority: GEORGE DIDSBURY, Government Printer, Wellington.

