

Given under the hand of His Excellency the Most Honorable George Augustus Constantine, Marquis of Normanby, Earl of Mulgrave, Viscount Normanby, and Baron Mulgrave of Mulgrave, all in the County of York, in the Peerage of the United Kingdom; and Baron Mulgrave of New Ross, in the County of Wexford, in the Peerage of Ireland; a Member of Her Majesty's Most Honorable Privy Council; Knight Commander of the Most Distinguished Order of Saint Michael and Saint George; Governor and Commander-in-Chief in and over Her Majesty's Colony of New Zealand and its Dependencies, and Vice-Admiral of the same; and issued under the Seal of the said Colony, at Wellington, this thirtieth day of January, in the year of our Lord one thousand eight hundred and seventy-seven.

D. REID.

Approved in Council.

FORSTER GORING,  
Clerk of Executive Council.

## No. 2.

The CHAIRMAN, Railway Commission, to the Hon. the COLONIAL SECRETARY.

SIR,—

Auckland, 6th March, 1877.

I have the honor to forward the Report of the Commissioners appointed by His Excellency the Governor to inquire into and ascertain in what manner the several railways under the control of the Government of the Colony in the Provincial District of Auckland are now being worked and managed, &c.; and I also enclose the accounts referred to in the margin\* for approval, being the entire expenditure incurred by the Commissioners while conducting their inquiry.

I have, &amp;c.,

READER G. WOOD,

The Hon. the Colonial Secretary, Wellington.

Chairman, Railway Commission.

## Enclosure in No. 2.

REPORT of the Commissioners appointed by His Excellency the Governor to inquire into and ascertain in what manner the several Railways under the control of the Government of the Colony in the Provincial District of Auckland are now being worked and managed, &c.

THE railways in the Provincial District of 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

Loss on year's transactions ... .. £20,773 14 11

For the half-year ended 31st December, 1876:—

Gross receipts	...	...	...	...	£12,582	12	2
Expenditure	...	...	...	...	£3,124	1	5
Interest	...	...	...	...	14,541	18	0
						22,665	19 5

Loss on half-year's transactions ... .. £10,083 7 3

In the last half-year's account of receipts and expenditure the Kaipara line is included. For that period the receipts on the Kaipara line were £1,808 4s. 6d.: if this amount is deducted from the total receipts for the half-year, the sum of £10,694 7s. 8d. is left for the receipts of the Auckland and Mercer line, showing a decline in the traffic on that line to the extent of £602 for the half-year ended 31st December, 1876, compared with the average of the traffic for the year ended 30th June, 1876. All this will be admitted at once to be an unsatisfactory result. The question is, What is the cause, and what remedy should be applied?

The Engineer for Constructed Railways, Mr. Passmore, does not hesitate to say that there is neither the population nor the business here to make the railways pay. This may be or may not be; we do not think this position will be generally conceded until a material change is made in the system of management.

The railways are managed by regulations outside of which the railway employes have no power to go. These regulations take the form of Orders in Council issued by the Governor and Executive Council, at Wellington, and are incapable of change or modification except by other Orders in Council, similarly issued, or by the intervention of a responsible Minister.

The rates of traffic and business arrangements of the railways were arranged by Mr. Passmore in the first instance, and Orders in Council issued in conformity with his suggestions. The way in which some of these arrangements work out in practice is so ludicrous that at first the stories were regarded as chaff; it was difficult to believe they were serious until we were informed by Mr. Passmore himself that they were "right." For instance, on one station on the Auckland and Mercer line a settler is charged 5d. for sending a box of butter into town, but for the return of the box, empty, he is charged

\* J. C. Mognie, £10 10s.; J. Casey and Son, £2; Wilson and Horton, £3 8s. 6d.; H. Brett, £1 16s. 3d.; Upton and Co., 7s. 6d.: total, £18 2s. 3d.