

1877.  
NEW ZEALAND.

# NEW ZEALAND RAILWAYS,

(REPORT ON THE MANAGEMENT OF).

*Presented to both Houses of the General Assembly by Command of His Excellency.*

To the Hon. the MINISTER for PUBLIC WORKS.

General Manager's Office, Railway Station, Dunedin,  
12th December, 1876.

SIR,—

In compliance with your instructions, we have made a full and careful inquiry into the whole system of the management of the Railways in New Zealand, with the view of recommending such alterations as may be necessary when the whole of the lines come under the control of the General Government.

1. The New Zealand railways are at present managed on three separate Present system. systems: one embracing those of the Northern Island, and the north and west of the Middle Island; the second, all the lines which are in communication with Christchurch; and the third, the railways of Otago and Southland.

2. We are of opinion that there should be a uniform system of management Uniform system. throughout the colony; that there should be a uniform system of accounts and of audit; and that the same forms should be used throughout.

3. It appears, however, desirable that certain modifications of the general Exceptions. system should be adopted on certain lines, the business of which is of a special character; such as in the shipping business of Port Chalmers, Lyttelton, the Bluff, and Oamaru, the requirements of which will be noted hereafter.

## OF THE AUDIT.

4. The audit of the Canterbury and Otago railways has hitherto been Present audit. conducted at the head office of the system, the audit offices being officially subordinate to the Executive Government, but practically being in the offices of the Managers, and doing the work of accountants and preparing the statistical returns of the several lines. In the Northern system, the audit is conducted under the superintendence of the Commissioners of Audit, an Audit Clerk being placed at the head of the Audit Clerks in the office of the Superintending Engineer of the Northern Railways.

5. We recommend that there should be a final audit of all railway accounts, Central audit. entirely independent of the Railway authorities, and that such audit should be conducted by the Commissioners of Audit, and should be based upon the originals or press copies of the way-bills and other vouchers, and upon returns of passenger traffic.

6. In each of the Southern systems, a Travelling Inspector is employed to Local Inspectors. inspect the several stations on the lines. On the Northern lines, this work is done on each line by the Manager, and by occasional visits by the Superintending Engineer.

We consider it most desirable that a regular system of local inspection by Travelling Inspectors should be established throughout the whole colony. The audit of goods traffic accounts and of the issue of tickets may be satisfactorily performed up to a certain point by a central audit based on the original vouchers and the ticket returns; but nothing can absolutely check the accuracy of these accounts and returns without a personal inspection of the tickets at any moment in hand at the stations, of the goods in the sheds upon which freight is still uncollected, and of the ledger accounts of freight for which credit is given.

To be also Store  
Inspectors.

7. We think, therefore, that Travelling Inspectors should be appointed, who should report to, and should be responsible solely to, the Commissioners of Audit. There is at present one such Inspector in Canterbury, and one in Otago; but it is stated that, even with the present lines open, this is insufficient. In connection, however, with this subject, we are informed that the work of the Inspector of Stores, which already imposes on that officer heavier duties than he can perform without further assistance, will be vastly increased by the Southern railways coming under the management of the General Government. We therefore suggest that the work of inspecting the stores of the working railways might also be conducted by the Travelling Inspectors, who should report, as regards stores, to the Inspector of Stores: and if this plan required an additional number of Inspectors, it would still be the most economical mode of providing for an efficient inspection and audit of the whole railway system.

#### OF ACCOUNTS.

Weekly accounts.

8. The accounts of the Northern system are made up weekly; those of the Southern lines monthly. We have fully considered the relative merits of these two systems. Looking to the fact that all Government accounts are, as a rule, rendered weekly, and that the alteration from monthly to weekly accounts has been found greatly to expedite the work of auditing and balancing the whole accounts of the colony, and that, except perhaps in the largest stations, such as Christchurch and Dunedin, the labour imposed on the Station-masters by weekly accounts will not be materially increased, if indeed it will not be diminished, we are of opinion that all railway accounts should be rendered weekly, in accordance with the practice in force in all other Government offices.

Books and forms.

9. The books and forms required to be kept in order to carry on railway traffic are very numerous, and we have carefully gone through the whole of those used on the three systems at present in force, and have adopted those which we consider the most suitable, with such alterations as may render them applicable to the whole colony. Specimens of these forms are placed in the hands of the Engineer-in-Chief; and we think they should be printed at the seat of Government, and distributed as required throughout the colony.

#### OF PASSENGER TRAFFIC.

Passenger tickets.

10. We think that all passenger tickets should be printed at Wellington and placed in charge of the Store Manager, by whom they should be distributed to the Storekeepers of the several lines upon requisition; and that an average supply for six months should be kept at each head station for all stations on each line—the Station Clerks to obtain their supply as required by requisition from the head station.

Excursion tickets.

11. In respect to tickets for excursion trains, we recommend their printing at Wellington, with the words "Excursion Ticket" only. They should be numbered consecutively, and debited to the station receiving a supply, but need not contain the names of the stations.

It is the custom to issue these tickets to bodies, such as the Foresters, for sale, the unsold tickets being returned. This plan is convenient to the public, and may be generally adopted; but the price of the minimum number of tickets to be sold should be paid in advance, and all the unsold tickets for each excursion should be returned to the Audit Office in support of the account, and should be cancelled. This is indispensable; because, whilst the tickets issued will be numbered consecutively, the tickets sold will not.

Rates of passen-  
ger fares.

12. With respect to the charges for passenger traffic, we find that very various rates are in force on the different lines. In Otago, the rates are for first and second class respectively 3d. and 2d. per mile; in Canterbury, 2½d. and 1½d. On the Northern lines, two rates are charged—on light grades, 2½d. and 1½d.; on heavy grades, 3d. and 2d.; but in each case with 3d. added for terminal charges. In all the systems, the minimum charges are 6d. and 4d. respectively.

Should be uni-  
form.

13. We are of opinion that a uniform rate should be adopted, on which the scales of charges on all lines should be calculated, and that that rate should be as follows:—

First class, 3d. per mile.

Second class, 2d. per mile.

Return fares, one and a half of single fares ; return tickets to be available within 50 miles on the day of issue only ; above 50 and within 100 miles, until the end of the day after issue ; above 100 miles, until the end of the next day but one after issue.

All return tickets used for return later than the day of issue should be presented at the ticket window and redated before the passenger enters the train.

Ordinary tickets issued on Saturday should be available as return tickets until the following Monday.

14. We have carefully considered the plan adopted on some lines in England, Return tickets. and on the Victorian railways, of abolishing return tickets altogether, and lowering the price of single fares to a corresponding extent. We do not recommend that so fundamental a change should be adopted on the New Zealand lines at present. Looking, however, to the saving of labour, and the simplification of accounts, we submit that this system deserves the careful consideration of the Government, with a view to its introduction as soon as it may be considered convenient to do so. It is well known that frauds are practised at present by the misuse and sometimes by the sale of return tickets, the amount of which there are no means of estimating, and a stop to which can only be put by abolishing return tickets altogether.

15. In respect to season tickets, we recommend the adoption of the scale Season tickets. at present used on the Northern lines, with certain alterations which we have made in that scale.

16. With respect to excess fares and road-side stations, we recommend the Excess fares. plan in force on the Southern lines, of giving the Train-guard a book with alternate pages printed on different colours, but numbered consecutively—the number on two pages being the same. The Guard writes the ticket with charcoal paper, giving one copy to the passenger and retaining the other in the book. The passengers' ticket is collected by the ticket collector, and the book handed to the Station-master at the end of the day's work, who checks it with the cash paid in.

17. We recommend that the charges for special trains shall be 20s. per Special trains. mile of distance one way, including one large or two small carriages, with 5s. per mile for every additional carriage. The above charge to be for the first 50 miles ; and for any additional distance the charge to be three-fourths of the same. The minimum charge for a special train to be £5 ; except in the case of special trains to the Invercargill cemeteries, which have hitherto been charged at £3, which should be retained. A limit of time should be fixed for the detention of the train before returning.

18. With respect to excursion trains run by special request, we think that Excursion trains. tickets should be sold at the rate of single second-class fares, all such tickets being available for return. Children to be charged half fares ; but a minimum of 120 full-fare tickets being guaranteed in the case of every excursion train. The railway should have the power of running excursion trains whenever it was thought worth while to do so, at rates not less than the above, without any request or guarantee.

19. Parties of school children, of twenty or upwards in number, may be con- School parties. veyed by ordinary trains at three farthings per mile, including return ; *bonâ fide* teachers accompanying the children, at double the above rate. First-class tickets should be issued in such cases, but with the proviso that passages in first-class carriages will be given only so far as may be possible without interfering with the ordinary traffic of the train. If a special train is required, it should be charged as such.

20. School season-tickets for children should be issued for one class at the School season tickets. rate of 10s. a quarter or fractional part of a quarter. Such tickets to terminate on a quarter-day, the charge to be the same whether the ticket is taken out at the beginning of the quarter or at any later date. School season-tickets should be confined to children under 16 years of age. First-class carriages should not be guaranteed, further than is consistent with the ordinary traffic.

Return of tickets  
issued.

21. We have revised the several forms necessary for checking and auditing the issue of passenger tickets, and have adopted some from those in use on the Northern and some in use on the Southern lines. The mode of auditing the issues should be practically the same as at present, except that the present local audit at Christchurch and Dunedin should be conducted in the Audit Office at Wellington.

Free passes.

22. Free passes should be issued only by persons authorized by the Minister in writing to do so.

23. Free passes and season tickets should not be available as regards special trains and excursion trains, except when the ordinary time tables are suspended.

Constables to  
travel free.

24. All constables and their prisoners should be allowed to travel on all railways free, and without requiring free passes.

Volunteers.

25. Volunteers and Militiamen should not have free passes, except on the requisition of the Commanding Officer of the force, addressed to the person authorized to issue free passes, stating the service on which the force is to be engaged, and sent in time for provision to be made for their passage.

Ship Captains.

26. We think free passes should be given to the captains of vessels lying at wharves in connection with the railway from the port to the principal town.

Immigrants'  
fares.

27. We find a practice in force by which the Immigration Officer gives orders on the railway for the fares of immigrants to the interior from the ports, and a claim is made by the railway on the Immigration Department for a refund of the cost. There is unnecessary trouble and delay in these recoveries. We think the Immigration Officer should purchase tickets with cash out of his imprest moneys, and so complete the transaction at once, and should support his imprest account with a formal certificate and declaration by the Station-master that he has sold so many tickets on such a day at such a price to the Immigration Officer. This will be sufficient for the purpose of audit, and will save much trouble and delay in adjusting the account.

#### OF GOODS TRAFFIC.

Present system  
of accounts of  
goods traffic.

28. In respect to the accounts to be kept of the goods traffic, the systems in force in the Northern and Southern railways are different. In the former, abstracts of the way-bills of the outward traffic only are prepared at the stations, and the way-bills themselves are returned to audit by the receiving stations. In the Canterbury and Otago lines, each station prepares an abstract of all its traffic, inwards as well as outwards, and incorporates the whole into a monthly summary, showing all its outwards and inwards traffic with every station with which it is in communication. These summaries are incorporated at the head office, monthly, into one general summary for the whole line; and as the outward traffic must correspond with the inward, the general summary becomes a balance sheet of the whole traffic of the line. The way-bills are retained at the receiving station, and are only checked by the Travelling Inspectors. The duty of the receiving station is to check the way-bills by the goods received; but should this be neglected, and the total of the way-bill be accepted, any error in the charges or in the extensions on a way-bill would remain undetected until discovered by a Travelling Inspector.

System recom-  
mended.

29. We have very carefully weighed the respective advantages of the two systems. The fact that the system of balancing the outward against the inward traffic is in force where the largest business is now, and will for a great many years, be done, that it is one in force in England and the other colonies, and that it is well understood by all clerks who have been employed on railways elsewhere, has had weight with us, independently of the actual merits of the two systems; and upon the whole we have come to the conclusion to recommend that the main features of the Southern system should be adopted throughout the colony. We have therefore carefully revised the forms necessary to be used for carrying out this system of account and audit in all its details.

Consignment  
note.

30. The duties to be performed at the stations may be briefly described as follows: All goods before being received should be accompanied by a "consignment note," in return for which a receipt should be given. "The Public Works Act, 1876," makes this obligatory only in the case of "special goods," but we think

that it should be provided by the by-laws that this should be required in all cases. Nothing is more important than that the contract between the consignor and the railway as carriers should be clearly defined, in order to avoid litigation. We think, therefore, that the conditions attached to the consignment notes, which should be signed by the consignor and constitute his contract, should be prepared, with the advice of the Law Officers of the Crown.

31. We understand the intention of the present law to be, that in the case of all goods not declared to be "special" under the Act, the ordinary law of carriers prevails; and in the case of "special" goods not consigned as "special," the same law prevails, except that the amount of damage recoverable is limited by the 153rd section of the Act; but that, in the case of "special" goods duly consigned as such, it is open to the Minister to make special agreements defining the liability of the railway, and that under the authority of by-laws made under the 145th clause, the railway could not be required to carry any such goods except under special agreement. As, however, some doubt is entertained by some members of the Commission on this point, the opinion of the Law Officers should, we submit, be taken, so that the liability of the Government may in all cases be clearly defined. Case of special goods.

32. The way-bills are made out from the consignment notes, and should be immediately entered in a "Register of Invoices," which contains the total of each way-bill in one line—a similar register being kept of the way-bills received. This book constitutes an index for the whole goods traffic of the station. Register of Invoices.

33. Two press copies of every way-bill should be taken as soon as made—one to remain at the station, one to be sent at the end of the week to the Audit Office. The original way-bill goes with the train, and should remain at the receiving station. Way-bills.

34. The way-bills must at the same time be entered and fully extended in the "abstract sheets." These entries should be made day by day, so that the "abstract sheets" may be ready for despatch by the end of the week, when a press copy should be taken for the use of the station, and the originals sent to the Head Office. Abstract sheets.

35. From the "abstract sheets" the "Summary of Goods Traffic" is to be compiled. This is a complete summary of all the goods received at or sent from the station, from or to every other station with which it is in communication. From these summaries a "General Summary" is prepared at the Head Office, showing the whole of the traffic outwards and inwards from and to all stations of the system. Summary.  
General Summary.

36. It is also necessary that the Station-master should prepare in duplicate a weekly "balance sheet" in a form which we have prepared, one copy to go to the Audit Office direct, one to the Head Office. He should retain a press copy for the station. Balance sheet.

37. On Saturday evening or on Monday morning, the Station-master should be required to send— Returns to be sent.

- (1.) Direct to the Audit Office—
  - (a.) Press copy of outward way-bills;
  - (b.) His balance sheet.
- (2.) To the Head Office—
  - (a.) His outward and inward abstracts;
  - (b.) His weekly summary of traffic;
  - (c.) Copy of his balance sheet.

The Head Office should send to the Audit Office—

- (a.) The general summary of traffic; supported by
- (b.) The Station summaries of traffic; and these again supported by
- (c.) The abstracts.

These should be sent to audit by the Head Office within one week after being received from the stations, which will allow time for any errors discovered as between the stations to be adjusted.

38. The Head Office will also send a copy of cash-book to the Treasury every Monday morning for the previous week. Cash-book.

39. The Audit will then be conducted as follows:—

Audit of goods traffic.

The Audit will receive by the first mail, on or after each Saturday night—

(1.) From each Station-master—

- (a.) Press copy of all way-bills forwarded by him during the week ;
- (b.) The balance sheet of station for the week, supported by all necessary vouchers.

It will receive within a week after from each Head Office—

- (a.) The general summary of traffic, outwards and inwards, supported by the summaries supplied weekly by all stations, and by the weekly abstracts of outwards and inwards supporting the station summaries.

And it will receive from the Treasury—

The copy of the cash-book of the Manager or Cashier, supported by bank sheets showing payments daily into the Public Account.

Check on the  
accounts.

40. The general summary, being in the form of a balance sheet, can be readily checked by the station summaries. As the returns of outwards and inwards traffic are supplied from different sources, the totals may be accepted without further examination if the additions are correct. If error is discovered, it must be traced into the separate abstracts, and so into the way-bills. In any case, the way-bills must be separately examined, and the extensions calculated and checked, when the Audit will be complete.

Check on the  
cash.

41. The balance sheet which is sent direct from the station to the Audit will show the daily amounts of cash sent to the Head Office, and the cash-book of the Head Office will show the sums received and paid daily into the Public Account, and thus the cash receipts can be traced into the Treasury.

Warehouse-book.

42. In respect to traffic inwards to a station, it is required that the way-bills shall be carefully checked with the goods received, entered in the Register of Invoices and in the Abstracts, and also in the Warehouse Book. The warehouse book should contain a copy of every way-bill, and in all wayside stations it should be used as a delivery-book, and the receipts for goods delivered taken in the warehouse-book. The goods unsigned for in the warehouse-book are the outstandings of the station.

Delivery book.

43. In Dunedin, several delivery-books are employed, and this will be probably necessary in all large stations ; but a reference should be made in the warehouse-book to the delivery-book in which the receipt is taken.

Care of shipping  
traffic from ports.

44. It is the practice, at Dunedin and Invercargill, to keep the traffic with ships discharging or loading under the head of "Shipping Traffic," distinct from the ordinary or "Local Traffic," and the returns are not made up until a ship is wholly discharged. At Invercargill, no way-bills are made out for the traffic from the shipping, but the ship's manifest is taken as the basis of the abstracts. It is not recommended to disturb this arrangement, which seems to be working well at present. But, as a rule, it is undesirable that two accounts of the traffic at the same station should be kept concurrently ; and as soon as the local management at Port Chalmers and the Bluff can see their way to incorporating the shipping traffic into the ordinary weekly accounts, without inconvenience to the public, we think this should be done. The accounts of the shipping traffic between Lyttelton and Christchurch are kept distinct, but are at the same time included in the monthly returns. At Oamaru all the traffic is invoiced from the Port to the station as "to pay." Station books and returns are kept at the Port, but no cash taken. Goods to the Port from the station are invoiced as "paid." In the case of the traffic between Oamaru and the Port, accounts have to be kept, in addition to those agreed on, for the purpose of showing the sums payable to the Harbour Board ; the pier and branch railway being worked by the railway under an agreement still in force. It is not desirable to disturb this arrangement at present.

Carting contract.

45. In Dunedin, a contract is in force with a contractor to deliver all shipping goods at a fixed charge within half a mile from the station, and a charge according to distance beyond. The former charge is paid by the railway (1s. 3d. per ton) ; the latter charge is payable by the consignee. The former charge is included in the railway rate from Port Chalmers, which is 6s.

including wharf and delivery. Local traffic, that is, goods from the country to be delivered in Dunedin, are not included in the contract. We are informed that this contract was made as an experiment two years ago, and will shortly require to be renewed. We are strongly of opinion that it is desirable to adopt the system of delivery 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 any consignee to cart his own goods.

46. Intimately connected with this subject is that of storage. The practice Storage. throughout the colony is very diverse; in Otago, where very small storage accommodation has been provided, and it is of the utmost importance to clear the goods shed with rapidity, the rule is to allow free storage for twelve working hours only, and to charge 2s. a day per ton for goods left in the store after that time. In the case of Dunedin, where there is a delivery contract, the goods are sent to the consignee without notice—he has previous notice of the arrival and discharge of his goods from the ship. In Christchurch, where no carting contract exists, free storage is allowed for twelve working hours; and the charge is only 2s. a week for goods not taken away. At country stations, in the case of grain and other produce, free storage is allowed for one week. We have personal experience of the inconvenience to the public of this system. When we inspected the bonded goods store, it was, notwithstanding its magnitude, choked with goods, and the Customs had given notice that the discharge of ships at Lyttelton was stopped until the goods shed was sufficiently clear to receive the goods. At Dunedin, on the other hand, with four ships and three steamers discharging, the bonded goods shed was comparatively clear.

47. We are of opinion that the Otago rates for storage are not too high. They Rates of storage. are, and are intended to be, prohibitive; and we are satisfied that in no other way can the full facilities of railway traffic be afforded to the public with equal fairness to all parties. It is no part of the business of the railway to relieve persons from the necessary cost of providing for the storage of goods in which they deal, or to afford more accommodation than is required for carrying on its business as a carrier; and if the railway sheds are allowed to be used for purposes of private storage, either enormous expense must be incurred, from which no corresponding profit will be derived, or some part of the public must be inconvenienced in their use of the railway for the benefit of others. We therefore recommend that the storage allowed should be confined to twelve working hours, and that 2s. a day per ton should be charged for storage beyond that time.

48. As a part of the same subject, is that of clearing goods by the Customs clearance. Custom House in the bonded sheds. In Christchurch, formerly the railway found the labour for handling the goods for Custom House examination, and charged the consignees 1s. a ton. This plan was abandoned in consequence of complaints that the charge operated very unequally, and the system now in force is the same as at Dunedin—namely, that the consignees have to provide their own labour for handling the goods. With the present allowance for free storage and the low charge, the consignee has no interest in expediting the clearance of his goods, and the sheds are therefore choked. In Dunedin no difficulty is experienced, because the high rate of storage compels the consignee to clear his goods out of the sheds as rapidly as possible. We therefore recommend that consignees be required to find their own labour for assisting to clear goods at the Custom House.

49. In case of goods delivered to the contracting carter, the receipt of the Carter's receipt. carter is taken as sufficient, but he is held under sufficient bonds to cover any claim which might be made against the railway by the consignee. In addition to this, he takes a receipt in duplicate from the consignee, and delivers one to the railway.

50. Overcharges should be at once refunded out of current revenue. In the Overcharges. Northern system, they are paid by the Manager out of his imprest moneys, and are charged as refunds of revenue. But as money paid in excess of the legal dues is not, under the Public Revenues Act, the property of the Crown or of the nature of public moneys, they are not payable into the Public Account, and when so paid serve to swell the apparent revenues to a fictitious amount. We therefore think the overcharges



should be deducted from current receipts, but should appear on the balance sheet of the station, and be supported by overcharge sheets and all necessary vouchers.

Overcharge and undercharge sheets.

51. All errors, whether overcharge or undercharge, should be corrected by separate sheets appended to subsequent accounts, the original way-bill rendered to Audit remaining unaltered.

Carriage paid on.

52. It is the custom in the South, but not in the North, for the railway to "pay on" carriage charges on goods brought to the line. This is an accommodation which is universally afforded to the public on the English railways, and one the public have a right to expect. We propose its adoption throughout the colony, and that the Station-masters be allowed to "pay on" such charges out of their collections, appending the receipts taken in support of their balance sheet.

Ledger accounts.

53. No credits have hitherto been allowed on the Northern railways; but on the Southern lines monthly credits are allowed to merchants and others doing above a certain average amount of business with the railway. It would be impossible to put an end to this system in the Middle Island, even were it desirable, without great public discontent; and it is clear a uniform amount of accommodation should be given on all the lines. We think, therefore, that ledger accounts should be opened with all parties whose average business with the railway amounts to £5 a week. The accounts at present are sent in and collected monthly. But it will be necessary that this should in future be done weekly, not only to bring the ledger accounts into conformity with the whole system of weekly accounts, but for the purpose of expediting the collection of the revenue, and facilitating the rapid audit of the accounts.

Credit ledger.

54. A Credit Ledger will have to be kept at every Station where credits are allowed. The sum outstanding on the ledger will appear in the balance sheet, and should be accompanied by a periodical return of the details of the account.

Collector's ledger.

55. In Canterbury, the ledger accounts are written off the ledger of the station monthly, and carried into a separate account of the "Collector." This practice is not in force elsewhere, and should, we think, be abandoned.

Ledger accounts rendered.

56. All entries should be written daily from the way-bills into the accounts to be rendered to persons having ledger accounts, so that all the account would be complete by the end of the week, when a press copy should be taken and the account rendered on Monday morning, which would probably be done most readily by post free of postage. The account should contain a notice that a collector will call for payment after a certain time, say three days, and that if not then paid the account must be paid at the station before a final day, say three further days; and that, if not then paid, the ledger account of the person defaulting would be closed, and no further credit given.

Station ledger.

57. At the Head Office, there should be kept a Station Ledger, in which each station separately is debited and credited with all its debits and credits as appearing in the weekly balance sheet, so that the debit of each station may be currently known. And we think a book similar to that kept at Dunedin, called the "Journal," but which is really a digest of the accounts, should also be kept.

Various forms.

58. We have also adopted a great variety of books and forms necessary for the traffic, such as Book of Unclaimed Goods, Truck Notes, Weighbridge Tickets, &c. The latter should be printed at Wellington, of the values of threepence and sixpence each, and distributed to the Weighbridge Keepers, and treated and accounted for as passenger tickets.

Rates of freight.

59. The most difficult and important subject which has been submitted for our consideration is that of the rates to be charged for goods traffic. We have taken into consideration that the abolition of provinces makes a great and radical change in the railway system. Hitherto the rates in Otago have been very much higher than in Canterbury (except between Christchurch and Lyttelton) or on the Northern railways. The profit derived from the railways has, however, been provincial revenue, and the higher rates charged on the railways have been returned in another form into the pockets of the people who paid them. In future, the railway revenue will be Colonial revenue, and it would not be fair to make the people of Otago pay higher railway charges than are paid by the inhabitants of other parts of the colony. We therefore recommend that a uniform rate of charges should be adopted for the whole colony, such rate being lower than has hitherto been made in Otago and



higher than on other railways. Without noticing the charges at present in force, we have resolved to recommend that the following rates should be adopted for the several classes of goods comprised in the following Schedules:—

For the first 50 miles of distance and under:—

				Carriage per mile.		Terminal charge.	
				d.	s.	d.	
Class A	per ton weight	...	...	6	...	2	6
" B	" "	...	...	5	...	2	6
" C	" "	...	...	4	...	2	6
" D	" "	...	...	3	...	2	6
Grain	...	...	...	3	...	2	6

				Carriage per mile.	
				d.	s.
Minerals, per ton weight	...	...	...	2d.	
with a minimum of 6s. a truck, and the owners to do all loading and unloading.					
Firewood and posts and rails, per truck	...	...	...	1s.	
with a minimum of 7s., the owners to do all loading and unloading.					
Sawn timber, per 100 feet	...	...	...	$\frac{1}{2}$ d.	
with a minimum of 200 feet, and 3d. per 100 for each loading or unloading done by the railway.					
Tussock grass and fascines, per truck	...	...	...	1s.	
with a minimum of 7s., the owners to do all loading and unloading.					
Wool, per bale not exceeding 4 cwt.	...	...	...	1d.	
with a minimum of 1s. 6d., and 7d. a bale for loading or unloading done by the railway.					
Coal, per ton	...	...	...	2d.	
minimum 2s. 6d., loading and unloading to be done by owners.					

For distances after the first 50 miles to 100 miles the above rates to be diminished as follows:—

On A, B, C, D, and grain, by 1d.; on minerals,  $\frac{1}{2}$ d.; on wool,  $\frac{1}{8}$ d.; on coal,  $\frac{1}{2}$ d.

For distances above 100 miles the rates to be further diminished—

On A, B, C, by 1d.; on D and grain,  $\frac{1}{2}$ d.; wool,  $\frac{1}{8}$ d.

60. Twenty shillings a day should be charged as demurrage for each truck not unloaded by a consignee under contract to do so, within twelve working hours after arrival. Demurrage.

61. We think that a much more complete and extensive classification of goods than is in force at present on any of the lines should be adopted. We have therefore prepared such a list, and included it amongst the forms recommended. Classification of goods.

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. Increased rate on some lines.

63. In the case of shipping goods, the bills of lading should be taken as the basis of the charge, and the goods carried by dead weight or measurement. In all other cases, the charge should be by dead weight. Weight and measurement.

64. With respect to the rates for special goods, we think that they should be carried at the value declared on the consignment note, and should be insured by the railway. The freight to be the same as for ordinary goods, and the scale of insurance the same as that now in force on the Northern lines. Freight of special goods.

65. Special goods will have to be defined by an Order in Council.

Order in Council.

66. Although it is understood that whatever be the declared value of special goods, consigned as such, the owner could only recover the actual value, at the same time, where a fictitious value or an obviously extravagant value is declared, the Station-master should have power to refuse to receive such goods without first referring to the Manager for instructions, and the Manager should refuse to carry them except at a rate of insurance which would be practically prohibitive. Fictitious value declared.

67. It is found that the consignment notes sometimes understate the amount or weight of goods sent in for carriage, under circumstances which lead to the conclusion that the error was not unintentional, but where it would be impossible Errors in consignment note.

to prove such an intention to defraud as would bring the consignor within the provisions of the 154th clause of the Act. We think that to enforce accuracy in the consignment notes a by-law should provide that, where any such error was discovered, the Minister should have the power to charge an additional rate, not exceeding double rate, upon so much of the consignment as had been omitted from the note.

Claims for loss.

68. Claims against the railway for loss or damage are at present paid in the South out of the current receipts of the line. In the North, such claims are paid by the Manager out of his imprests. It is very undesirable that any revenue should be stopped on its way into the Public Account; and it cannot be so stopped without a violation of the law. On the other hand, it is equally inconvenient that any unnecessary delay should occur in the settlement of such claims, especially in cases of small amount, and which are undisputed. These claims are only paid at present on the approval of the General Manager, and we think that they should be paid out of the moneys which will have to be imprested to the Manager or the Cashier monthly, for the expenses of working the lines.

Authority to pay claims.

69. It will probably be advisable that a general authority be given to the Manager to pay all such claims up to a fixed amount, and that for higher demands the special authority of the Minister should be necessary. In the latter case, the claim could be most readily settled by a final payment by the Treasury. Payments for loss and damage will, under the plan now proposed, appear in the accounts as an item in the cost of working the lines, instead of as a deduction from the receipts, which latter course is clearly incorrect.

Passenger luggage.

70. Passenger luggage should be allowed to a weight of 112 lbs., and excess luggage charged at one shilling for every half-hundredweight or fractional part of a half-hundredweight in addition, for every fifty miles or part of fifty miles travelled.

Cloak-rooms.

71. For goods left at the station, we would charge twopence for the first day, and one penny for each day after, per package. We recommend the use of cloak-room adhesive labels of the value of one penny, which may be sold to the public, and used for sending parcels to be left at the station.

Clearing platform.

72. The platforms should be cleared after the last train has left, and all packages found on it should be treated as lost luggage.

Lost luggage.

73. Lost luggage should be charged at sixpence a package for booking. All such goods may be sold under the Public Works Act, after one month's notice. We think the time should in future be extended, and that a sale should be made of all lost luggage once a year, of which a month's notice should be given.

Parcels.

74. We recommend the adoption of the Canterbury rates for parcels, with some alterations which we have made in the scale. And we think that adhesive labels of the values of threepence, sixpence, and one shilling should be sold to the public, and used as postage stamps for the parcels traffic.

Dogs.

75. Dogs we propose to charge at sixpence for every twenty-five miles or fractional part of twenty-five miles, half-a-crown being the maximum charge.

Cattle.

76. The charges for horses, cattle, and sheep are nearly the same on all the lines. We have adopted the scale with some slight alterations.

Fowls.

77. Fowls may be charged at one penny each for every twenty-five miles or fractional part, with a minimum charge of sixpence on any one consignment.

#### OF SALARIES AND WAGES.

Wages to be uniform.

78. The question of the wages and salaries of persons employed on railways has occupied our attention. We are decidedly of opinion that a uniformity should prevail throughout the railway service of the whole colony.

Engine-drivers.

79. For Engine-drivers, we recommend a salary of eleven shillings a day, with an increase of sixpence a day after each year up to a maximum of thirteen shillings. Such increase, however, to depend on good conduct. The past service of Engine-drivers should count under the new scale, and the wages at present paid to any Driver should not be reduced owing to the new rule.

Firemen.

80. For Firemen, a salary of eight shillings a day, with an increase of sixpence a day after each year, up to a maximum of ten shillings, depending on good conduct.

81. Ten hours, or one hundred miles, should be considered a day's work for Day's work.  
a Driver or Fireman, the Manager having the option of selecting distance or time.  
Time to be calculated from the hour the engine leaves a shed until it returns to it.

82. Overtime should be paid to Drivers and Firemen at the rate of time Overtime.  
and a quarter; Sunday's work being paid at ordinary rates.

83. No man who has not served as a competent Engine-driver elsewhere Driver must have  
should be employed as a Driver in New Zealand until he has served for three years served as  
at least as a Fireman, and has borne a good character. Fireman.

84. Lad Cleaners of not less than eighteen years of age should be employed, Lad Cleaners.  
at a salary of five shillings a day, increasing by sixpence a day after each year  
of good-conduct service to a maximum of seven shillings. The latter rate not to  
be paid to any lad under twenty years of age.

85. Guards should be paid by the week, and should be divided into three Guards.  
classes, with the following fixed salaries:—

	£	s.	d.
Third Class ... ..	2	10	0
Second Class ... ..	2	13	6
First Class ... ..	2	17	6

But no rise should be allowed from a lower to a higher class until after a  
year's good-conduct service in the lower.

86. Drivers, Firemen, and Guards, should be allowed half-a-crown when sleep- Absence allow-  
ing away from their homes. ance.

87. The salaries of Porters should be forty-two shillings a week, with an in- Porters.  
crease of three shillings and sixpence a week after each year's service; the  
maximum being forty-nine shillings. No Porter should be engaged under twenty-  
one years of age or over thirty-five.

88. Lad Porters may be taken into the service not under fourteen years Lad Porters.  
of age, at wages increasing by three shillings and fourpence a week after each  
year's service, from a minimum of twenty shillings to a maximum of forty-two  
shillings a week.

89. The pay of Maintenance Gangers should be fixed at not more than nine Maintenance  
shillings a day, and of Platelayers at not more than seven shillings. Gangers.

90. We recommend that free passes should be granted to all persons employed Free passes to  
in the Railway Department, to enable them to travel between their homes and Railway Servants.  
the office or place where they are employed.

91. We think Station-masters, whose duties and responsibilities vary greatly Station-masters.  
with the importance of the station, should be divided into five classes, with uniform  
salaries throughout the colony for each class. That no salary should be less than  
£100 a year, and that an allowance of £25 should be made as rent in all cases  
where there is no house provided.

92. Seeing that length of service should always be considered in salaries, and at Their salaries.  
the same time that many persons may be employed who, though competent to  
fulfil the duties of Station-masters at small stations, are not fit to be intrusted with  
important stations, we think there should be a minimum and maximum rate of  
salary in each class, and within those limits the salary should increase at the rate  
of ten pounds after each year of good-conduct service. The following is the scale  
recommended:—

	£	£
Fifth Class ... ..	100	to 150
Fourth Class ... ..	125	„ 175
Third Class ... ..	150	„ 200
Second Class ... ..	175	„ 225
First Class ... ..	200	„ 250

93. Cadet Clerks may beneficially be taken into the service at an age of not less Cadet Clerks.  
than sixteen, at a salary of fifty pounds a year, with an increase of ten pounds  
after the first year, and fifteen pounds after every subsequent year of good conduct  
service, to a maximum of one hundred and twenty pounds.

94. Storekeepers should be divided into two classes, the charge of the larger  
Stores involving more responsibility and labour than the smaller. We recommend  
the following scale of salaries:—

Second Class ... ..	£150	to £175
First Class ... ..	200	„ 250

The Second Class increasing by five pounds a year, the First by ten pounds a year, after each year of good conduct; but no present salary to be reduced.

95. We recommend that all persons employed on railways should be paid on the holidays on Christmas Day, Good Friday, and the Queen's Birthday.

96. It has been the custom in Otago to give an annual holiday to all officials employed on the railway, and to grant a special train for themselves, their wives, families, and friends, in order to enable them to make an excursion into the country. The merchants of Dunedin have liberally acquiesced in this arrangement, by abstaining on that day from all business with the railway not absolutely necessary. We advise that this privilege be extended to all the lines, as tending to maintain a good feeling in the staff.

#### TIME TABLES.

Up and Down trains. 97. We have also considered the question of the nomenclature to be used in the Time Tables when the main lines are brought into connection—that is to say, what are to be considered “Up trains” and what “Down trains.”

Even and odd. 98. We agree that the system of local centres should be abolished, and also that all trains going in one direction should be numbered *even*, and all in the other direction *odd*.

North and South. 99. It was suggested that all trains on the main lines should be called “North” and “South” trains, according to the direction in which they are going; and that all on branch lines should be called “In” or “Out,” according as going to or from the main lines: so as to avoid the use of the words “Up” and “Down,” which have been appropriated by common use to trains up to or down from a common centre; the counter proposition being that trains going North should be called “Up,” and trains going South, “Down.” The Commissioners, however, are unable to agree to any recommendation on the subject, being equally divided in opinion.

#### STORES.

Present Northern system adopted. 100. 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 has worked well. We have, however, taken the whole question into reconsideration, and recommend that the Northern system, with the following modifications and additions, be adopted:—

Storekeeper's abstract. 101. A copy of the Storekeeper's abstract should be sent to the Inspector of Stores every Monday morning.

Local purchases to be paid by Treasury. 102. When, in cases of emergency, local purchases of stores are made, and the vouchers in support of such purchases are forwarded to the Store Audit, instead of these vouchers being returned to the Head Offices of the railway systems, they should be scheduled for payment at Wellington, and upon this being done the Head Offices should be advised that they are so scheduled upon an abstract form to be drawn up.

Storekeeper's journal. 103. Each Storekeeper should keep a journal in which he should enter the numbers of requisitions, dates of receipts of same, and numbers and dates of issues, with any notes upon the same.

Returned stores. 104. The Storekeeper should keep an account of all material which, having been issued and used, is returned to him.

Tenders for stores. 105. It is desirable that tenders should be called for yearly in England for the supply of all railway stores to be landed at the principal ports in the colony, and, failing that, that tenders should be called for such supply throughout New Zealand, and, if convenient, throughout the Australian colonies. Articles outside those named in the tender being supplied at wholesale rates.

Price lists. 106. We think that price lists should be made for

- (a.) Auckland;
- (b.) Wellington;
- (c.) Christchurch;
- (d.) Dunedin;
- (e.) All other lines;

and that stores should be issued by the respective Storekeepers at price-list rates. Timber to be taken on at local rates, with an amount added for handling. Coal to be issued at local rates delivered into Store, the cost of handling to be debited directly to each department of the railway. The price lists to show as nearly as possible the cost of articles delivered into Store, plus the cost of working the Store.

107. The half-yearly returns of balance in ledger rendered to the Inspector of Stores Audit should contain a column showing the actual stock on hand, which should be priced out and valued in Wellington. Returns of ledger balances.

108. A ledger account of values of receipts and issues should be kept at Wellington against each Store, compiled from the local Store Ledger forms sent to the Store Audit and from the local purchase vouchers, and at the end of each half-year the account should be balanced, crediting it with the value of stock in hand at the current rates, and debiting it with the balance of stock in hand from the preceding half-year; and the line should be debited or credited with any amounts arising from error or loss or waste which is thus ascertained to have arisen in the local Store.

109. That a General Ledger Account be kept at Wellington against all Stores, showing the total values of all goods received into Store, and all charges of every kind, and the balances of stores in hand from the last half-year's stock-taking, on the debit side, and on the credit side the values of all issues and the value of stock in hand at the end of the current half-year, computed at the current rates; and that the ledger be balanced half-yearly, and that any discrepancy then appearing be debited or credited to the various lines, as the case may require, proportionately to the values of the issues. General Store ledger.

110. It is also considered to be essential that Store buildings should be immediately erected at Dunedin and Invercargill, Class A at Dunedin, and a building equal to Class B at Invercargill, as great inconvenience and loss now occur at these places through want of proper accommodation. Store buildings.

#### WORKSHOPS.

111. The adoption of the system at work on the Northern lines, which provides for the Workshops Account being kept separate from the General Maintenance Account, is recommended, with the following modifications and additions:— Present Northern system.

112. The workshop should deliver to any Store or Government department, but each delivery should be accompanied by a voucher showing the cost of the goods so delivered, inclusive of the commission defined below. Delivery voucher.

113. The amount of commission to be included in the Workshop Accounts, showing the cost of each job done, should not for the present exceed 15 per cent. on the cost of the stores delivered to the shops used and of the labour expended on the job; such commission to cover cost of foremen, patterns, waste, loss, wear and tear of machinery and tools, running machinery, and general charges, and to be modified as experience may show to be necessary. Commission.

114. A ledger account against each workshop should be kept at Wellington, to be balanced every three months; the charges against the shops and stock on hand at the date of commencing the account to be entered on the debit side, and on the credit side the values of all work done plus the commissions and of the stock on hand, so that the several lines and other departments of the Government may be debited or credited proportionately to the values of the issues with any profit or loss which has accrued and which is thus ascertained. General workshop ledger.

#### WORKING EXPENSES.

115. On the Northern lines, the whole current expenditure of working the several railways is paid by moneys issued on imprest to the Manager on his requisition, and for which he accounts in the usual way. The same system will have to be adopted throughout. Imprests.

116. Wages on the Southern lines are paid monthly; on the Northern, four-weekly. The latter is most convenient, as fitting in with the weekly system, which is the rule of all Government Accounts. This alteration will therefore have to be made on the Southern lines. Four-weekly payments.

Wages to be in arrear.

117. In order to prevent the embarrassment caused by men suddenly leaving important work on the railways, we recommend the plan in force in the Northern Island; namely, that not less than a fortnight's wages shall be always kept in arrear, which shall be forfeited if the workman leaves without giving the notice required by the conditions of his service to give.

#### GENERAL RECOMMENDATIONS.

Dunedin Head Station.

118. As soon as the system of railways in Canterbury and Otago is complete, it will probably be found desirable that the whole should be worked under one management; and in such case Dunedin will probably be found the most convenient point at which to place the Head Station of the system.

Oamaru lines to be worked from Christchurch.

119. In the meantime, so long as the Northern Otago lines are unconnected with Dunedin, we think they can be most conveniently worked from Christchurch, with which they will very shortly be in communication.

Block system.

120. We strongly recommend that all stations should be connected by telegraph as soon as possible, and that the block system should be introduced as soon as the Manager considers it desirable to do so between any stations on a line.

Government special trains to be charged for.

121. Whenever any department of the Government other than the Department of Public Works requires a special train, it should be charged at the ordinary rate for special trains.

Post Office to send officer with mails.

122. Except on trains where the traffic is very small, the Guards ought not to be required to take charge of the mails, the care, receiving, and delivery of which interfere with their other duties, and frequently delay the trains. We think that on all main lines the Post Office should send an officer in charge of the mails.

Book of Instructions.

123. A book should be prepared containing all by-laws, regulations, fares and freights, and all general instructions to persons employed on railways, and should be placed in the hands of every railway official.

Book of Forms.

124. Every Manager should be supplied with a copy of all the forms used in the railway system, which should be bound in a book, and numbered and indorsed for reference.

Law of Carriers.

125. Every Manager should be supplied with a copy of the most recent work of authority on the subject of the Law of Carriers.

Wharves.

126. All wharves should be worked, for the present, locally, under existing arrangements.

#### WHEN NEW SYSTEM TO COME INTO FORCE.

When new system to come into force.

127. Some time must necessarily elapse before the by-laws, rules, and regulations under "The Public Works Act, 1876," can be prepared, and the numerous books and forms printed. We are of opinion that it would be unwise to disturb existing arrangements until the whole new machinery is complete, and the books referred to in Section 123 above have been in the hands of all railway officials for some days before the new system comes into force. It is of the utmost importance that all concerned should be thoroughly conversant with their duties before that period, so that all changes in existing arrangements may be introduced without disturbance to the working of the lines, and with satisfaction to the public. We do not think this can be done before the 31st March next, and recommend that no change be made until after that date, except in the Stores, in which the systems of account and audit in force under the Inspector of Stores in the North, should be applied to the Southern Railways without delay.

#### CONCLUDING REMARKS.

Conclusion.

128. In conclusion, we desire to express our regret that the work intrusted to us has occupied a longer time than we anticipated. We thought it might have been completed at Christchurch; but it soon became evident that the whole subject could not be satisfactorily dealt with without a personal inspection of the working of the Otago system. We were, therefore, reluctantly compelled to adjourn our meetings to Dunedin. We venture to hope, however, that the result of our inquiry will fully justify the time and labour bestowed. The Commission has sat every working day, and all day, since its first meeting. Every minutest

detail of the complicated machinery necessary for the efficient management of an extensive railway system has been the subject of investigation, and we may say that the report we have now the honor to present but inadequately represents the fulness of our inquiry. Considering, however, that that inquiry has been conducted by those gentlemen who have been personally engaged in working different systems, and whose duty it will probably be to conduct one uniform system of management, we are satisfied that the settlement of a great variety of points which it would have been difficult to incorporate into our Report, and the common understanding, both as to principles and details, which have resulted from their mutual intercourse, will be felt in the whole management of the New Zealand Railways, and will tend, not only to secure their financial success, but at the same time afford to the public the full benefit which it is entitled to expect from an institution which the colony has wisely made such great exertions to establish.

We have the honor to be, Sir,

Your very obedient servants,

JOHN CARRUTHERS, Engineer-in-Chief.

FRANK B. PASSMORE, Superintending Engineer of Northern Railways.

J. P. MAXWELL, District Engineer.

J. LAWSON, Traffic Manager of Canterbury Railways.

J. G. WARNER, Railway Engineer, Canterbury Railways.

WM. CONYERS, General Manager of Otago Railways.

EDWARD GORTON, Inspector of Stores.

JAMES EDWARD FITZGERALD, Commissioner of Audit.

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By Authority: GEORGE DIDSBUXY, Government Printer, Wellington.—1877.



