

1877.
NEW ZEALAND.

AUCKLAND RAILWAYS,

(REPORT OF THE COMMISSION ON THE).

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

No. 1.

APPOINTMENT OF COMMISSION.

NORMANBY, Governor.

To all to whom these Presents shall come; and to READER GILSON WOOD, of Auckland, Esquire; JOHN SANGSTER MACFARLANE, of Auckland aforesaid, Esquire; and WILLIAM SWANSON, of the same place, Esquire.

WHEREAS it is expedient that a Commission should be appointed for the purpose of making the inquiry hereinafter mentioned:

Now, therefore, know ye that I, George Augustus Constantine, Marquis of Normanby, the Governor of the Colony of New Zealand, having full trust and confidence in your impartiality, ability, and integrity, in pursuance and exercise of all powers and authorities enabling me in this behalf, and by and with the advice and consent of the Executive Council of the said Colony, do hereby appoint you, the said

READER GILSON WOOD,
JOHN SANGSTER MACFARLANE, and
WILLIAM SWANSON,

to be Commissioners, by all lawful ways and means, and subject to the terms of these presents, to examine and inquire into the several matters and things hereinafter set forth, that is to say,—

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, and whether, consistently with reasonable economy in the management and administration of such railways, greater facilities can be given to the public in respect of the traffic thereon and the use thereof:

And generally, by all lawful ways and means, to examine and inquire into every matter and thing touching and concerning the premises, in such manner, and at such time or times, and at such places within the said district as you may appoint or determine: Provided that any such inquiry may be adjourned by you from time to time, or from place to place, but so that no such adjournment shall be for a longer period than ten days at any one time, nor to any place without the limits of the said district:

And I do hereby authorize and empower you to have before you and examine all books, papers, maps, plans, documents, and writings whatsoever, which you shall judge necessary or expedient, relating to the subject-matter of this inquiry or any part thereof; and also to have before you and examine on oath or otherwise as may be allowed by law all witnesses or other person or persons whom you shall judge capable of affording you any information touching or concerning the said inquiry or any part thereof:

And I do further require you, within two calendar months from the date of these presents, or as much sooner as the same can conveniently be done (using all diligence), to certify to me under your hands and seals your several proceedings and your opinion touching the premises, and stating therein what measures (if any) it would in your opinion be desirable to adopt in respect thereof, or of any matter and thing arising out of or connected with the said inquiry:

And I do hereby appoint you the said Reader Gilson Wood to be the Chairman of this Commission; and in case of your absence do authorize you to appoint such one of the persons associated with you in this Commission as you may think fit to be Chairman for that occasion only; and do hereby declare that all powers hereby vested in you the said Commissioners shall and may be exercised by any two of you sitting and acting together:

And lastly, I do hereby declare that this Commission is and is intended to be issued subject to the provisions of "The Commissioners Powers Act, 1867," and "The Commissioners Powers Act Amendment Act, 1872."

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, &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.

2s. 5d. A settler near Mercer sent to a chemist in Auckland for a half-crown bottle of medicine; he was charged carriage for this by rail, 2s. 6d. Mr. Robert Graham sent a sucking pig into town from Ellerslie, a distance of five miles, for which he was charged 4s., the price he would have had to pay as carriage for a score of fat hogs if he wanted to send them in. Mr. Morrin took with him out by rail to his farm on the Waikato a sporting dog and a valuable ram; for the former, he was charged 4s. 11d., for the latter, 15s. 6d., the same carriage he would have had to pay for a score of sheep if he had been taking them. Mr. Martin, a settler, of Waikato, paid £5 12s. 6d. for carriage of 150 fencing posts from Drury to Mercer, a distance of about twenty-one miles. Of course he did not do this a second time. He says, "I consider the freight charges by rail prohibitory." He has 1,850 posts of the same kind which he wishes to take up; but he says, "the charges are so high, I cannot fetch them." Mr. Rutherford says he sent two empty woolpacks, and was charged 2s. 5d. for them, and for one full pack, 2s. 6d. He says he bought recently 204 lambs. The carriage for them by rail would be £4; he had them driven by road for 10s. He would willingly have paid 40s. to send them by rail, but £4 was prohibitory. Mr. Alfred Buckland says: "The present rates for carrying sheep are prohibitory. Did the rates allow it, all the sheep for the Auckland market beyond Otahuhu would be sent by rail. I would suggest that present prices should be reduced one-half, and I think this reduction would meet the requirements of the trade, although the prices would then be high." As it is, very few sheep are sent by rail. The same complaint is made respecting the charges for carrying timber. On the Kaipara line this is especially a grievance, all the great mill-owners on the Kaipara River regarding the charges for carriage and wharfage of timber as almost prohibitory. From Onehunga to Mercer the charge is 2s. 10d. per hundred feet by rail; the charge for sending by vessel out of the Manukau and up the Waikato is 2s. per hundred feet. The same complaint is made regarding horses—the charges are practically prohibitory; and for the use of a horse-box long notice beforehand has to be given. The unanimous opinion of the settlers is that the line is of hardly any use to them. We might fill reams of paper with such instances, appertaining to almost every commodity and to every interest. At Tuakau there is a large amount of water-power, used partially for flax-dressing by mill-owners. They tell us, in consequence of the high charges they are unable to send any flax, either green or prepared, by rail.

The charges for special trains are so high as to be prohibitory. The charge for a special train from Auckland to Mercer is £32 5s. The actual cost out of pocket—that which would have to be paid which otherwise would not have to be paid—is as follows:—

Driver	...	...	...	...	...	...	£0 12 0
Fireman	...	...	...	...	...	...	0 9 0
Cleaner	...	...	...	...	...	...	0 6 0
Guard	...	...	...	...	...	...	0 7 0
Collector	...	...	...	...	...	...	0' 7 0
Fuel	...	...	...	...	...	...	0 17 0
Oil	...	...	...	...	...	...	0 5 0
Wear and tear of line, engine, and carriage	...	...	...	...	...	...	6 6 0
Total	...	...	...	...	...	...	£9 9 0

This is an outside calculation. The balance is made up by adding proportion of interest on outlay, share of office expenses, &c., on those charges which are constant and must be paid anyhow, out of taxation if not out of the receipts of the line. The Manager tells us that people will not pay the £32 5s. The sums of £20 and £25 have been offered, and invariably refused by the railway authorities; consequently special trains are rarely, if ever, used. Yet, in our opinion, if a reasonable charge were made for these trains they would be often availed of; and it is manifest that if £20 could be got for a special train, £10 of that sum, at least, would go towards the payment of interest, &c., which is now absolutely lost through the high and prohibitory charge. But Mr. Passmore says that every train that runs must pay its proportion of all the expenses, or not run at all. If that were an axiom in railway management, very few trains would run on the Auckland lines.

As regards passenger fares, there is a general complaint that they are too high. Certainly very few people travel by rail. The public convenience is not sufficiently consulted. Mr. Passmore says that the rates here are slightly less than those usually charged on the English lines. We know that they are largely in excess of some of the English and Australian charges. One of us has travelled frequently from London to Leicester, first class, for 18s., a distance of ninety-nine miles, in a few minutes over two hours; the charge from Auckland to Mercer is 11s., a distance of forty-three miles, travelled in three hours. But, supposing Mr. Passmore's statement could not be controverted, the two styles of travelling cannot be compared. There is no comparison to be made between the easy and rapid travelling on English railways at forty or fifty miles an hour, and shaking along the New Zealand narrow-gauge lines at fifteen miles an hour. It is, we believe, now admitted on all well-managed lines that the paying traffic is the passenger traffic; and to obtain this, the fares must be reduced within the means of the great mass of the people. High fares mean few passengers, and certainly the high fares on these lines have resulted in very few passengers. The fare from Otahuhu to Penrose is 9d.; an omnibus runs by road for 6d., and, of course, takes all the passengers. The fare from Auckland to Newmarket is—first class, 9d.; second class, 6d. Omnibuses run for 6d. from a convenient centre in the town every half-hour, and are almost invariably filled. The rates for the stations between Auckland and Onehunga are managed in such a way that as the distance decreases the proportionate fares increase. Country settlers constantly arrange for one who is going to town to do the business of many, the saving of the fare being of importance. The charges, excepting in the case of from Auckland to Onehunga, are so high as to repel and not to attract passenger traffic.

The line is badly laid out for traffic. It is so constructed as to be entirely useless to the great suburban Districts of Parnell and Epsom, which would alone have supplied a large number of passengers daily to and from town if regard had been had to anything but running the line along the cheapest route. It entirely avoids the great agricultural district of which Otahuhu may be regarded

as a centre. All the produce from the Wairoa and East Tamaki goes by water or by road instead of by rail; and the position of some stations, especially that of Auckland, is exceedingly inconvenient.

These are the principal objections that have been made to the line and the traffic management. In every direction testimony has been borne to the civility and courtesy of the employés on the line. The objections are to the system, and not to the people who carry it out; and in our opinion the system is inherently bad. We do not think any good would follow an attempt on our part to reconstruct a tariff of charges, to suggest fresh time-tables arranged for the convenience of different classes of the community, cheap Sunday and excursion trains, cheap special trains, greatly reduced minimums and fares, railway tickets saleable like postage stamps in shops and stores, simplicity and cheapness with regard to parcel carriage, and attention paid to the wants and conveniences of the travelling public, so as to make the lines attractive. All these things, when the opposite system was found not to answer, a man of business would at least have tried. Mr. Passmore's remedy is still further to raise the charges, a course which, in our opinion, would be fatal, and lead to still further loss. A comparatively small amount of success would attend any attempt on our part to offer suggestions under the present system.

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 in Auckland on the spot where the business is to be done, and not at Wellington where it is not to be done.

2. The responsible head, instead of being restricted by rigid rules and regulations, must have discretionary power, and a personal interest in the success of the lines.

We, therefore, unanimously, and without hesitation, beg to recommend this great change in the management of the lines. We recommend that some competent and experienced person should be appointed as manager at Auckland; that he should have the sole appointment of his own employés; that he should be paid a low fixed salary, with commission on the earnings; that his commission should be small up to the paying point, and then large; that his instructions should be—"make the lines pay." We are fully aware of the objections which will be at once raised to such an innovation into the well-recognized official routine—namely, that the responsible head would make the lines pay, and earn for himself a high commission at the expense of the lines and rolling stock; that he would not maintain them in proper condition; and that the latter end of such a system would be infinitely worse than the present. We think a Minister, if really in earnest, would find no difficulty, by means of proper supervision in one direction, and adequate securities in another, in preventing the possibility of any such disastrous result.

As regards the engineering defects on the lines, we think that a great improvement would be made, and much additional traffic obtained (always supposing the present tariffs are altered), by removing the Auckland Station from its present position to a site alongside the Auckland Wharf, and reclaiming the ground with the earth left standing at what was Fort Britomart. The dressed stone for the sea wall is already there, and the whole thing could be done, in our opinion, at a moderate cost. The land made available by such works, if let, would more than pay the interest on the outlay, and the station would be brought into the very centre of the business and shipping traffic of the town. A central dépôt or receiving-house should be constructed at Otahuhu, and connected with the present Otahuhu Station by a branch line. The terminus at Onehunga should be extended to the end of the wharf, and additional station accommodation given at various points along the line, where required, especially at the crossing of the Great South Road at Drury. The two termini of the Kaipara line are too high above the water-line, and should be removed to lower levels.

Witness our hands and seals, this sixth day of March, one thousand eight hundred and seventy-seven.

READER G. WOOD.
J. S. MACFARLANE.
WM. SWANSON.

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