

is framed, whoever does this work must have free access to the records of the department, if serious risk of severe financial loss is to be avoided. As to the numerous regulations and traffic charges mentioned, under the proposed new system fully two-thirds if not three-fourths of them would disappear altogether. They are worse than useless, and are merely so many devices for extracting from the users of the railways "all that the traffic will bear." As a rule, they have been brought into existence for no other purpose. The new system being so exceedingly simple, it would be folly to attempt to make it fit in with existing railway-working. In my opinion, it would be extremely unwise as well as unnecessary to bring the whole system into force in one day, as appears to be contemplated in this letter. It should be applied first to one branch of traffic and then to another, as the experience thus gained would be very useful and lead to the avoidance of many mistakes. I estimate that it would take six months to properly and carefully apply it to the whole of the Auckland lines. If the railways are to be leased, it is right that a guarantee should be given; but if a trial takes place under the supervision of a committee, no guarantee should be asked. It would certainly be unfair to ask Auckland citizens to guarantee a trial made in the interests of the whole colony, unless they also had an opportunity of reaping a corresponding reward in case of success. It has been my earnest wish to render the Government every assistance in my power in solving the difficult problem of railway administration, and I am still most anxious to do so. I have carefully thought out all the details of my plan, as also of the method and manner of bringing it into practical operation at any time the Government may think fit to place me in a position to do so. What I now want is such information as will enable me to fix the several amounts to be charged for the services to be rendered in connection with the various items of goods traffic. To arrive at this stage has cost me a large sum of money and a vast amount of labour: I am quite willing to give the public the full benefit of all this, but I am not prepared to place myself and my plans in the hands of the General Manager of the department, who from the very first has shown the most determined hostility to the proposed new system. I wish it to be most distinctly understood that I am not seeking either place or pay for myself. Any appointment or powers given to me I should wish to be of the most temporary nature, and merely for the purpose of introducing the new system.

SAMUEL VAILE.

DEAR SIR,—

Auckland, 31st January, 1889.

I have been informed that since your arrival in Auckland you have stated that my system of railway administration would be accorded a trial if I would define what that system is. I shall esteem it a favour if you will let me know if this statement is correct.

Hon. E. Mitchelson, Minister for Public Works, Auckland.

SAMUEL VAILE.

DEAR SIR,—

Auckland, 6th February, 1889.

I am in receipt of your letter of 31st ultimo, and, in reply, I have to inform you that the Government was most desirous of having the details of your scheme, more especially that portion relating to the carriage of goods, before it prior to the appointment of the Commissioners, so that the same might be fairly considered, with the view of having a trial made if such was thought to be desirable in the interests of the public. But, as, in reply to my letter of 1st December last, you failed to state your case, the Government had no option other than to appoint the Commissioners without making any recommendation further than a verbal statement to the effect that it still hoped you would see your way to submit your proposals for consideration. I feel sure, however, that, if you will furnish the Government with your scheme, how you propose to work it, together with other details, as mentioned in my letter to yourself and those who were associated with you, and also the form of guarantee you propose to give against loss, the matter will be fairly considered with the view of making a recommendation to the Railway Commissioners. With reference to the question of guarantee, it is only fair to state that, in the event of any profit arising out of a trial of your system, the Government is of opinion that the guarantors should participate in such profit in proportion to the risk they run.

I am, &c.,

S. Vaile, Esq., Auckland.

EDWIN MITCHELSON.

APPENDIX C.

EXTRACT of a MINUTE forwarded by the RAILWAY COMMISSIONERS with letter of 28th September to Messrs. DEVORE AND COOPER, of Auckland, for their Opinion.

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The Railway Reform League has for one of its objects, as stated in its circular, "the total abolition of differential rating."

It is somewhat difficult for those who have studied and dealt with railway rates extensively, and who understand the magnitude and intricacy of the subject, to understand the precise nature of this object, as the term "differential rating" may cover a large field. In English law relating to railways such an expression is never met with; nor is it in American law, which is very extensive both in the individual and general State legislation.

The expression has been somewhat loosely introduced in England conversationally and critically, and during parliamentary inquiries, without a very precise meaning being attached to it. It has no precise technical meaning in railway working.

In New Zealand it has been used very loosely. It is susceptible of various interpretations, and may be held to express daily practice of such great variety, and has such different interpretations put on it by different people, that, if it is possible, it would be desirable to ascertain what is meant by the circular in this respect.

As it appears that one of the members of the firm of Devore and Cooper, the solicitors employed by the department in Auckland, is a member of the Railway Reform League, it might be as well