

out more clearly the concessions that are enjoyed by various sections of the community at the expense of the community in general. At present both the fact and the extent of these concessions are obscured by their inclusion in the railway tariff, and as being so included as railway rates they tend to be regarded merely as such instead of as subsidies or bounties which they really are. There are, no doubt, in the railway tariff many concessions which can be amply justified in the general public interest, and on the other hand there are many others which, though probably quite legitimate at their inception, have been continued long after the circumstances by which they were originally justified have ceased to exist.

Another aspect of the proposal to provide separate accounts for the railways is that there would be a more proper distribution of the profit resulting from the operations of the Department.

Up to the present, as a result of the payment of revenue into the Consolidated Fund, the Department has not the support of a Reserve Fund, Depreciation Fund, or any of the other similar funds, which are to be found in the accounts of private railways. Indeed, it has in the past been the acknowledged policy to regard buoyancy of revenue as being a ground for making concessions in rates and charges, and although from 1895 to 1915 working-costs increased, there were not only practically no increases in rates and charges, but the fact that the Department earned profits was taken as justifying the granting of tariff concessions, and many such concessions were accordingly made. The consequence was that when the period of buoyancy ended and a state of depression set in the Department found itself faced with these concessions which, though readily granted during and because of a period of prosperity, could not so readily be withdrawn when these conditions ceased to exist.

I think, therefore, that the policy of regarding the railways as a commercial concern, in the sense of being self-contained as to its finance and receiving credit from other appropriate Departments for concessions granted as a matter of policy and which cannot be justified on purely railway grounds, is desirable in the public interest as well as from the point of view of the efficiency and welfare of the Department as an operating concern.

I do not, however, desire to be understood as advocating that the policy of using the railways for developmental purposes should be abandoned. This is a matter on which I do not feel at liberty to comment. I desire to record the foregoing observations only as indicating my opinion that the mere change of the form of the railway accounts would have little significance, and would indeed be apt to be misleading unless they, as business accounts, constituted a record of the operations of a concern conducted on recognized business principles.

STAFF.

The staff was depleted during the year by the retirement on superannuation of Messrs. J. MacDonald, Assistant General Manager; H. Buxton, Chief Traffic Manager; F. W. MacLean, Chief Engineer; G. E. Richardson, Locomotive Engineer, Addington; A. C. Koch, District Engineer, Auckland; W. P. Williams, General Inspector; G. McCartney, Officer in Charge, Advertising Branch; I. Faris, Controller, Refreshment Branch; J. Bevin, J. B. Mitchell, A. W. Morgan, J. Young, J. L. Morgan, and R. M. Isaacs, District Traffic Managers at Wellington, Christchurch, Invercargill, Wanganui, Greymouth, and Ohakune respectively; together with a number of experienced officers who occupied sub-administrative positions. All the officers referred to herein gave of their best to promote the public interest, and had served the Department faithfully, zealously, and with honour to themselves, the majority for forty years and over.

While recording my high appreciation of the loyal and valuable services rendered by each of the officers included in this general list, I avail myself of the opportunity to specially thank the three administrative officers—Messrs. MacDonald, Buxton, and MacLean—for their valuable assistance and co-operation. These gentlemen served the Department with distinction, had a long and varied railway experience, and possessed a wealth of practical and theoretical knowledge, of which they made full use in the general public interest when the difficult problems which daily confront the Railway administrative officers were under discussion.

Upon the retirement of these officers a scheme of reorganization was undertaken, the principal feature of which was the abolition of the office of the Chief Traffic Manager, and the substitution of an additional Assistant General Manager, and the appointment of a General Superintendent of Transportation. The object of this scheme was to bring the Traffic Branch, as being that branch of the Department which comes into intimate contact with the public, into closer relation with the general management, and it was hoped by this means to obtain a greater measure of understanding between the management and the customers of the Department. The considerations which prompted the change were largely based on a desire to assimilate the methods of the Department more closely to those of a business concern than to those of an ordinary Department of State, facilitating and expediting the transaction of business between the Department and its customers, and, in particular, avoiding those delays in dealing with various questions arising between the Department and the users of the railways, which were so apt to lead to misunderstanding.

ACCIDENT TO AUCKLAND-WELLINGTON EXPRESS TRAIN NEAR ONGARUE.

A happening that calls for more than passing mention is the very unfortunate accident which befell the Main Trunk express train near Ongarue early on the morning of the 6th July, 1923. This was one of the most disastrous accidents that have taken place on the New Zealand railways, and it was of a magnitude which has happily been very rare on our system. For some days prior to the accident there had been a very heavy fall of rain in the Ohakune district of the Main Trunk line, and this was, without doubt, the primary cause of the accident. The immediate cause was the slipping-