

### III. ORGANIZATION.

The organization of the New Zealand railways at the present time follows what is usually known as the departmental scheme, under which each department has an executive head, working under the direct instructions of the General Manager. There is, however, an exception to this general rule in the case of the New Zealand railways, in that on the recent retirement of the Chief Traffic Manager his position was not filled, his duties being undertaken by the General Manager through a First Assistant (for transportation) and a Second Assistant (for rates and staff).

There has not always been a General Manager in charge of the New Zealand railways. That was the original arrangement, but in 1889 a Board of three Railway Commissioners was appointed. This form of management, however, lasted only for five years, at the end of which period the control of the railways passed back to the Minister of Railways, who supervises the development of this great national asset through a General Manager, responsible directly for the administration of the undertaking. A chart shows the present organization.

We have given careful consideration to the question of organization. Our observations have shown that there is need for a general tightening-up, both in the direction of more clearly defining the actual responsibilities of the chief officers and of reorganizing the overhead administration so that it may better meet the peculiar needs of New Zealand. Centralization was perhaps desirable in the earlier days of the railways, but the time has come when decentralization to a certain extent is necessary. District officers lean too much upon the central authority in matters of detail, with the result that delay and consequent irritation to the public, as well as loss of traffic, follows. On the operating and commercial side this is especially noticeable, the Head Office being overburdened by correspondence on detail matters which should be capable of settlement through district authority. No regular conferences excepting an annual one (mainly upon staff questions) are held. Many of the lines, in addition to being isolated sections, are at considerable distances from Wellington, and frequent inspection by chief officers is not possible; thus many defects, which the eye of an experienced railway man would detect and remedy, continue in existence. A commercial organization until quite recently was non-existent, with the result that motor-car enterprise has made serious inroads on both passenger and goods traffic. From evidence given in the course of our investigations it is clear that the public expect something more in the shape of personal contact with responsible officers than has obtained hitherto. This has reference not only to charges, time-tables, and facilities, but also to small matters of equipment and regulations. A far better appreciation of the services rendered by the railways would, we feel sure, be the outcome of discussion on the spot between representatives of the public, who own the railways, and a responsible officer with authority to settle the minor questions so frequently arising. Relief from these would enable headquarters' officers to devote prompt attention to major questions which they alone should determine.

In connection with State railways there are invariably difficulties great and small, brought about by political pressure upon Ministers to give something which, whilst of local value, is not to the general advantage of the railways, or create an undue preference to one section of the community as compared with another. In the general interests of the country the farther away a railway administration can be removed from political control the better, in order that an impartial decision may be given upon all questions affecting transportation facilities. In stating this we recognize that where the people own the railways the Government must decide when and where railways are to be built, and what are to be the maximum charges levied upon passengers and merchandize. Having decided these things, however, and appointed competent men to manage the large industrial enterprise of which a railway system is comprised, it is wiser to leave it in expert hands rather than to have political pressure brought to bear upon Ministers, in season and out of season, to do things that ought not to be done and to leave undone those things that, in the general interest, ought to be done.

Having regard to the geographical and other aspects of the New Zealand railways, we consider that a Railway Board consisting of a Chairman and two other members, one to control mainly commercial affairs and the other competent