

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