

should be deducted from current receipts, but should appear on the balance sheet of the station, and be supported by overcharge sheets and all necessary vouchers.

Overcharge and undercharge sheets.

51. All errors, whether overcharge or undercharge, should be corrected by separate sheets appended to subsequent accounts, the original way-bill rendered to Audit remaining unaltered.

Carriage paid on.

52. It is the custom in the South, but not in the North, for the railway to "pay on" carriage charges on goods brought to the line. This is an accommodation which is universally afforded to the public on the English railways, and one the public have a right to expect. We propose its adoption throughout the colony, and that the Station-masters be allowed to "pay on" such charges out of their collections, appending the receipts taken in support of their balance sheet.

Ledger accounts.

53. No credits have hitherto been allowed on the Northern railways; but on the Southern lines monthly credits are allowed to merchants and others doing above a certain average amount of business with the railway. It would be impossible to put an end to this system in the Middle Island, even were it desirable, without great public discontent; and it is clear a uniform amount of accommodation should be given on all the lines. We think, therefore, that ledger accounts should be opened with all parties whose average business with the railway amounts to £5 a week. The accounts at present are sent in and collected monthly. But it will be necessary that this should in future be done weekly, not only to bring the ledger accounts into conformity with the whole system of weekly accounts, but for the purpose of expediting the collection of the revenue, and facilitating the rapid audit of the accounts.

Credit ledger.

54. A Credit Ledger will have to be kept at every Station where credits are allowed. The sum outstanding on the ledger will appear in the balance sheet, and should be accompanied by a periodical return of the details of the account.

Collector's ledger.

55. In Canterbury, the ledger accounts are written off the ledger of the station monthly, and carried into a separate account of the "Collector." This practice is not in force elsewhere, and should, we think, be abandoned.

Ledger accounts rendered.

56. All entries should be written daily from the way-bills into the accounts to be rendered to persons having ledger accounts, so that all the account would be complete by the end of the week, when a press copy should be taken and the account rendered on Monday morning, which would probably be done most readily by post free of postage. The account should contain a notice that a collector will call for payment after a certain time, say three days, and that if not then paid the account must be paid at the station before a final day, say three further days; and that, if not then paid, the ledger account of the person defaulting would be closed, and no further credit given.

Station ledger.

57. At the Head Office, there should be kept a Station Ledger, in which each station separately is debited and credited with all its debits and credits as appearing in the weekly balance sheet, so that the debit of each station may be currently known. And we think a book similar to that kept at Dunedin, called the "Journal," but which is really a digest of the accounts, should also be kept.

Various forms.

58. We have also adopted a great variety of books and forms necessary for the traffic, such as Book of Unclaimed Goods, Truck Notes, Weighbridge Tickets, &c. The latter should be printed at Wellington, of the values of threepence and sixpence each, and distributed to the Weighbridge Keepers, and treated and accounted for as passenger tickets.

Rates of freight.

59. The most difficult and important subject which has been submitted for our consideration is that of the rates to be charged for goods traffic. We have taken into consideration that the abolition of provinces makes a great and radical change in the railway system. Hitherto the rates in Otago have been very much higher than in Canterbury (except between Christchurch and Lyttelton) or on the Northern railways. The profit derived from the railways has, however, been provincial revenue, and the higher rates charged on the railways have been returned in another form into the pockets of the people who paid them. In future, the railway revenue will be Colonial revenue, and it would not be fair to make the people of Otago pay higher railway charges than are paid by the inhabitants of other parts of the colony. We therefore recommend that a uniform rate of charges should be adopted for the whole colony, such rate being lower than has hitherto been made in Otago and