

Mr. Lawson.  
29th Aug., 1877.

there is no doubt that the men should be in the shed tallying grain and sending it away when they will be poring over these accounts and balance-sheets.

858. Is this weekly system that is adopted here similar to what is called the clearing system in England?—The clearing system in England is a monthly system. It is carried on by the clearing-house.

859. You know that of your own knowledge?—I do.

860. What is your opinion of the central audit system that is now in force?—Well, I feel very strongly upon that point also. I think there should be a local audit. To fairly and effectually check the accounts it can only be done by a local audit. We have 380 miles of railway open now in Canterbury. When it gets through to Dunedin I would say a position like Oamaru would be a central position for the audit.

861. But still you would have a central audit here or there?—I would simply send up completed accounts for the audit. They should be completed locally.

862. How many returns are made under the present system?—I think I have a list somewhere: Parcels way-bills, goods way-bills, balance-sheet, passenger summary, excess fare sheet, season tickets, special and excursion return, parcels labels return, left luggage &c., storage and labour, parcels abstracts, parcels summary, goods abstracts, goods summaries, outstanding sheets, local wharfages, and through wharfages.

863. How many is that?—Seventeen. Local wharfages only apply to Lyttelton, so that there are fifteen for all other stations.

864. And these have to be made out weekly?—Yes.

865. Sent to Wellington by every station?—Yes.

866. Do you know whether this weekly system in only sending accounts to the Audit is satisfactory to the employés on the railway?—No, they are very bitter against it—very bitter, indeed, from all quarters. They consider it a great hardship, because it is incessant toil. They no sooner get clear of one week than they have another on the top of it. Under the monthly system they have leisure for their work.

867. Is the weekly system any security against fraud more than the monthly system?—It is short reckoning, and that sort of thing; but in practice we find no difficulty in the monthly system in Canterbury; and we may be very well sure they would not adopt the monthly system on the large lines at Home if they did not find it a success. We never experienced any difficulty in Canterbury during three years under the monthly system in the direction you have indicated.

868. Can mistakes and errors be discovered and corrected sooner, and more satisfactorily to the public, under it?—The public are not affected by the change of system. The public have nothing to do with the mere departmental work. If you ask me whether the accounts can be cleared up as quickly for purposes of audit, I should say it might just as well be done under the monthly system.

869. Will you explain how the remission of 9d. per ton for unloading grain at the up-country stations is treated in the accounts?—The grain is invoiced at the full rate—it may be from Christchurch to the up-country station. It is only at the up-country stations where the remission is made, not at the chief stations. The full rate is invoiced. If it is unloaded by the consignee he pays the full rate, and 9d. per ton is remitted to him. The voucher is signed, credit is taken by the Station-master, and the vouchers are attached to the balance-sheet.

870. And that is the authority?—Yes. The balance-sheet comes to Wellington, and the voucher must too. I could not say if it is attached to it, but I believe it is. They would require it in Wellington.

871. Could you not save the trouble by simply passing the way-bill through, less the sum of 9d.?—I may tell you I have already suggested that.

872. You say you have had seventeen years' experience in the management of railways at Home. Will you tell the Committee what is the custom ruling at Home with regard to the Managers of railways, whether they are civil engineers or not?—I certainly know of one or two instances where the Manager happens to be a locomotive engineer, and combines the two things; but on the leading railways, what are termed "General Managers" are certainly not civil engineers.

873. Will you name some?—Mr. Cawkwell, of the London and North-Western; Mr. Allport, of the Midland Railway; Mr. Smithells, of the Caledonian; Mr. Underdown, of the Manchester, Sheffield, and Lincolnshire; Mr. Grierson, of the Great Western; Mr. Swarbrick, of the Great Eastern; and Mr. Fenton, of the Metropolitan. These are some of the leading ones; and I can speak positively that not one of them is a civil engineer. I know two or three instances where they have occupied the joint positions of Locomotive Engineers and Traffic Managers.

874. It is the exception and not the rule?—Yes, decidedly so, in England. I do not know what it is anywhere else.

875. If in New Zealand the question became one as between the appointment of a civil engineer for the management of railways and that of a good business man, say a commercial man with a knowledge of railways, which do you think would be the best man. I am now speaking of the management of constructed railways?—The civil engineer might be a good business man and combine the other quality also. I should prefer a man who had some practical knowledge of what he was expected to direct.

876. And therefore you do not consider it is any advantage to a man as a Manager, simply because he happens to be a civil engineer?—It would be simply foolish of me to attempt to direct the locomotive or the permanent-way department. I know nothing about either. Another business man might, or he might not, be in the same position.

877. Some time ago instructions for conducting railways were issued to the employés. Are you aware whether the Railway Commission recommended those instructions or not. I refer to the printed instructions and rules that were issued?—In regard to that, it was left until the last moment. Mr. Passmore undertook to prepare and forward to each member of the Commission a proof of the rules. They are really the English rules. With few exceptions, the rule books are alike as far as