

by him. By law, he has to get approval for alterations in rates before they can take effect. The law prescribes that the charges on the railways can only be altered in a particular way by the Minister, and he submits any alterations in this way to the Minister he thinks desirable. I have found it necessary to have also sent for approval all alterations in appointments, and that is to a certain extent an alteration in what was the practice before. That does not apply to the workmen on the lines—it applies to the permanent staff in the offices. I took that course in consequence of having complaints reaching me, as Minister, from places both in the North and South Islands, of what were alleged to be injustices on the part of officers employed in the department. But generally, I should say, Mr. Conyers over the Middle Island lines has the absolute management of the traffic business, and that his recommendations on any subject are listened to and attended to at once. I have had in consideration, and I have still in consideration, and wish to arrange so that he may be relieved of a great deal of the office-work, which he has himself told me occupies too much of his time. I have no doubt that can be easily effected, and his time made free in that respect. Then, with regard to the North Island lines, including the small lines of the Middle Island, I found that Mr. Passmore held the same position regarding these as Mr. Conyers to the others; and, as you are aware, all these lines are short distances comparatively, and the traffic nothing like as much, or requiring the same attention, as on the Middle Island lines. There was a Commission who reported upon the Auckland lines some time ago. The main thing they urged was more direct local control. I thought this over, and determined it is desirable to give more local control than has been the custom to the officers in charge of different lines. It then occurred to me that the way to do that would be to dispense with the services of the officer who was the Superintending Traffic Engineer for these lines. I also saw this: that in all these lines in the North the construction was going on, and they were being extended, in some cases short pieces, with construction going on upon them, and the Superintending Engineer for Construction visited—as I saw—these lines at the same time as Mr. Passmore, and thus we had two officers going at an expense to the colony over these lines. The work which Mr. Passmore had to do principally was to see to the permanent way and locomotives. I found that the Superintending Engineer for Construction was equally capable of directing that part of the business, and I accordingly inquired into the engagement with Mr. Passmore, and found he could have notice given him. I gave notice accordingly, with a view to having the Superintending Engineer for Construction taking charge of the permanent way over these lines and the locomotives, and with the view of giving the local Managers more direct control than previously.

1654. Was that by the advice of Mr. Carruthers?—No; it was entirely on my own opinion, and against the Engineer-in-Chief's recommendation. He was very strongly of opinion that the old system should be retained.

1655. You have not yet answered my question?—I was going on to that. What I have said is explanatory. Now, I said at the commencement that this general question of how best to manage the traffic part of the business is one that has given me very great thought, and I do think that it is desirable (if we have or we can get the right man) to have an officer who should be in charge of the whole of the traffic business of the colony.

1656. *Mr. Stevens.*] In both Islands?—In both Islands. I think one officer should have that position for both Islands. I do not think it necessary to have one for each Island, because he would have to be one who would be the director from a centre, and in my opinion he could direct as well from one part of the colony as another, as well as do for both Islands. What I mean is this: it would not be for him to attend to the detail work as to railways. I mean a man who can have charge and properly advise the Government about the tariffs and the whole railway management. There is a difficulty of finding a person suitable for that position.

1657. *The Chairman.*] I think you stated just now that Mr. Conyers only appoints the clerks in the office and the labouring men?—He appoints and dismisses; does as he likes with all classes of labour.

1658. Does that include the locomotive engine-drivers?—Yes.

1659. Stationmasters?—No; not the Stationmasters or the ticket clerks. He does not appoint or dismiss all the regular staff in the office.

1660. You mean those whose salaries are voted by the House?—Yes.

1661. He cannot touch them?—Yes; he deals with all classes of labour, and I have refused to entertain applications from engine-drivers whose services have been dispensed with. I have been obliged to say that we must trust to the Manager. With regard to the clerks and Stationmasters, what I understand Mr. Conyers' position to be is this: he appoints. If he wanted a Stationmaster to proceed from one point to another, he would at once do so; and all he has to do is to report that he has sent So-and-so to So-and-so, and recommends the appointment to be confirmed, and it is done as a matter of course.

1662. Does that go to the Engineer-in-Chief, and require his approval?—It nominally is addressed to him. He may see some of them.

1663. Is it not a fact that in ninety-nine cases out of a hundred Mr. Carruthers or Mr. Maxwell examines the papers and makes minutes?—Yes.

1664. Therefore everything goes through that office before you see it?—Necessarily so. They are simply the channel through which these papers come.

1665. Do they make their remarks upon them?—Yes; it is Mr. Maxwell generally, and not the Engineer-in-Chief, who notes these papers.

1666. Is Mr. Maxwell connected with the construction of railways?—With regard to the accounts and correspondence with the Engineer's staff he has a good deal to do.

1667. Then our railways are managed by the Constructing Engineers?—No. Generally Mr. Maxwell or Mr. Carruthers put on the words, "Recommendation of Mr. Conyers for approval." If they knew of anything adverse to those recommendations, they would put it on the papers.

1668. They are part of the machinery?—Yes, they are part of the machinery.

1669. Superior to Mr. Conyers?—Mr. Carruthers, as I said before, is nominally the head of the