

The House is no doubt aware that the systems of management and the tariffs were different in Otago and Canterbury, and both were also different to the system and tariff in operation on the General Government lines. We had thus three separate railway systems and scales of charges in operation on the New Zealand Railways, and the impossibility of continuing this state of things became apparent when the line from Waitaki to Moeraki was opened. Then passengers or goods travelling by the rail were subject to different tariffs on passing over the Waitaki River. The local difficulty was at once met by assimilating the charges on the Waitaki to Moeraki section to those in operation on the Canterbury lines. But with the New Zealand Railways the property of the colony, it became manifest that the rates must be equalized as nearly as possible. My predecessor had anticipated the necessity of adopting a system of uniformity for the New Zealand Railways, and appointed, during his term of office, a Commission to inquire into and report generally on their working.

The report of that Commission has been laid on the table, and the recommendations made by it have been, in the main, given effect to by the Government. Before doing so, the Government carefully considered the whole question. We recognised that the subject was large, and involved, particularly in regard to the traffic, considerations requiring technical knowledge. Upon the Commission were gentlemen who were experts in railway management, and we concluded to adopt generally the recommendations, see how they worked, and alter and amend as experience showed the necessity. We also took into consideration that these changes would be brought into operation during the least busy season of the year, when the public interests would be least affected should the new system prove unsuitable in any particular.

The subjects in which radical changes were made were in adopting a system of central audit, the rendering weekly accounts, and a uniform tariff. Several other important questions in connection with railway management were reported on by the Commissioners, and advantageously. In respect to the central audit, the system recommended has only been adopted as a tentative measure, we desire to test fairly its operation; if it is found to work disadvantageously, it is easy to revert to a more local system. Very great difference of opinion exists as to the relative advantages of weekly or monthly accounts. The weekly system is now in force. It is reported to have worked well on the Northern lines, and there has not been sufficient time as yet to test fairly its operation on the Southern Railways. With respect to the tariff, I say at once that, on the new tariff coming into force, many mistakes were represented and remedied. There are other points now under consideration, in which I believe alterations are necessary. The question of passengers' fares is also being carefully looked into. The Government believe that the tariff should be as nearly uniform as possible; but experience has already shown that there are cases in which either uniformity must be abandoned, or the traffic of the railways suffer, and the Government will not hesitate in such cases to depart from the general principle of a uniform rate. In the meantime, I have instructed the Managers of the different railways to report on the working of the tariff, and generally as to the operation of the new regulations, with the hope that, aided by the information they can afford, and assisted by the representations that are freely made by the settlers, such alterations can be effected as will meet the public requirements.

I have already laid upon the Table the Report of the Commission which sat during the recess, and inquired into the working of the Auckland Railways. The principal recommendations made by the Commission were to reduce the charges, and place more power in the hands of the local Manager. The Government concurs that it is desirable to intrust the Managers of the different railways with larger discretion than has hitherto been allowed them, and this decision is being given effect to.

The recommendation of the Auckland Commission as to the reduction of charges involves consideration of the whole question of the tariff, to which I have already referred. It must however be remembered that the Auckland Railways, in their present unfinished state, cannot be expected to show such satisfactory results as it is believed they will when further completed.