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LETTER ON THE CIVIL SERVICE COMMISSIONERS' REPORT

(FROM THE COMMISSIONER OF RAILWAYS FOR THE MIDDLE ISLAND TO THE HON. THE MINISTER FOR PUBLIC WORKS).

Laid upon the Table by the Hon. Mr. Oliver, with the leave of the House.

The COMMISSIONER of RAILWAYS, Middle Island, to the Hon. the MINISTER for PUBLIC WORKS
Office of the Commissioner of Railways, Middle Island,
Dunedin, 23rd June, 1880.

SIR,—

In compliance with the permission accorded to me by your telegram of the 21st instant, I have the honor to submit the following observations upon that portion of the report of the Civil Service Commission which is personal to myself or which specially relates to the railways under my charge.

The report of the Civil Service Commission, as presented to the House of Representatives, commences with the admission of having gone exhaustively into none of the subjects of which it treats, and that it is in some respects superficial. Notwithstanding this, the conclusions arrived at and the opinions expressed are very definite, and largely directed against myself, and contain a direct impeachment of my administration as head of the Railway Department of the Middle Island.

It will be for the Government, the House, and the public—among whom I confidently expect to have fair and impartial judges—to decide whether the report is not only confessedly superficial to such an extent as to render it untrustworthy; but, further, whether it is not inaccurate and misleading, and the opinions expressed either the result of foregone conclusions, or otherwise a hastily-formed judgment derived from a superficial insight into matters with which the Commissioners were insufficiently acquainted.

In my reply I shall avoid, as much as possible, commenting upon the opinions expressed by the Commissioners, confining myself principally to the statements put forth as matters of fact, and alleged as instances to prove their charge of my mismanagement.

The report states that the railway service in the South Island is split up into three distinct departments, with such absence of definition as to their respective duties and powers that business is carried on in a constant spirit of antagonism—that whatever organization exists has not been arranged by one directing mind, but is the result of a series of compromises agreed to from time to time as a matter of expediency to prevent open rupture between the different sub-departments. It goes on to state the result of inquiries into the system pursued on the railways in other countries. The Commissioners conclude it to be essential that the principles of railway management adopted elsewhere should not be departed from in this colony, yet they find the first essential principle of having one controlling head over the working of the railway is here entirely ignored, and that to such an extent that the Traffic Manager is precluded from giving orders to engine-drivers.

There are in these statements so much inconsistency and misapprehension that it requires some amount of patience to separate what is correct from what is erroneous; and, in order to enable those not conversant with the working of railways to understand clearly the position taken up by the Civil Service Commissioners, it requires an elementary description of the ordinarily-accepted systems of railway management as established in other countries, and a comparison of such systems with that in operation in this Island.

Throughout Great Britain, Europe, and America, in all the principal railway companies there is a secretary who acts as secretary to the board of directors, and is the principal channel of communication between the shareholders and the directors, as well as between the directors and the working department of the railway. The secretary has nothing whatever to do with the working of the line. The working of the railway is placed entirely and absolutely under one head, who is responsible for the whole of the management, including the working of the traffic, collection of revenue, the use and maintenance of the railway works, plant, and rolling-stock. This chief officer is the general manager. Immediately responsible to him are the traffic manager, locomotive superintendent, and the engineer for permanent-way. Each of these last-named officers takes charge of one of the three distinct branches of the service. The traffic manager has absolute control of the running of the trains and every person connected therewith, not excepting engine-drivers while attached to the trains. He arranges the time-tables, and determines the crossing-places of trains; he attends to all the business of

the public in connection with the traffic, both as regards passengers and goods. The locomotive superintendent has charge of the locomotives and all rolling-stock, repairing shops, and machinery. He keeps accounts of the cost of working the locomotives, and sees that they are properly handled and used. The drivers and firemen are appointed by him, and are answerable to him as to their usage of the engines. While an engine is attached to a train, however, the drivers are under the orders of the traffic department in so far as the movement of the train is concerned; but the traffic manager may not direct a driver how he shall handle his engine, what steam pressure he shall be limited to, what rate of speed he may not exceed, when he should take his engine into the shop for overhaul, nor any other of the numerous matters pertaining to locomotives which require technical and mechanical knowledge. These matters are left entirely to the control of the locomotive superintendent.

Again, the engineer for permanent-way has charge of all the standing works of the line. The workmen required to keep the line in repair are under his orders. He is responsible to keep the line in a safe state for running over, and, further, to see that the property does not become deteriorated or be allowed to run down into a state of decay. This is a matter of the utmost financial importance where works of such enormous value are concerned. The accounts of the cost of repairs and renewal of all the various kinds of structures are kept by him.

The general manager controls all these sub-departments, to insure the due and proper working of the functions of each.

Years of railway experience have led to this arrangement.

Nothing is better known to bankrupt companies than the fact that it is easy to make a fair show of traffic receipts against working expenses of small proportions, until a breakdown occurs, and it is found that the line is in a state of wreck from end to end, simply from the postponement of needful repairs and renewals, with the object of keeping down the account of working expenses. The proverbial stitch in time was saved, and the companies' property ruined.

Again, engines may be overworked by officers whose only concern is to run traffic, or they may be put to work for which they are not fitted, or used on lines to which they are not adapted. In all such matters and abundance of others that could be instanced lie occasions of enormous loss, though not directly observable by the uninitiated, and which are the invariable result of employing persons in capacities for which they have not been trained.

On various railways, large and small, in Great Britain, Europe, and America, in fact all the world over, these subdivisions of railway management are to be found.

The officers directing these subdivisions are called under a variety of designations on different railways, but practically the subdivision of the service remains the same.

On some very small lines, only a few miles in length, one person may do duty for two departments, sometimes one person combines the three; but this is a makeshift to suit the case. On the large English and American railways each head of the sub-departments has numerous assistants. In some cases there are as many as five assistant engineers, and even up to thirty assistants to the traffic manager, independently of stationmasters. In the hands of these assistants the different branches of the business are subdivided. It may be positively asserted that, wherever the lines are of any considerable extent, separate officers for the distinct sub-departments are employed.

Now, turning to the Middle Island railways of New Zealand, the system of management is precisely in accordance with the above-stated arrangement. I myself hold the position and exercise the functions of a General Manager. My title of Commissioner of Railways was not chosen by myself, and does not affect the fact that my duties are those of general manager sole and proper. I have under me the three distinct branches of service and responsibility—viz.: the traffic, locomotive, and permanent-way, with officers appointed to each department the duties of which they were fitted to fill. The Traffic Managers have been termed General Managers, with the object of fulfilling certain statutory requirements which were found necessary while the lines were disconnected, but nevertheless their duties and functions are those of traffic managers.

The Civil Service Commissioners state that the principle of management as practised on other railways is here so far ignored that the traffic manager is precluded from giving orders to an engine-driver, except through the locomotive engineer.

Now they have begun with admitting the necessity of conforming to accepted usages in other countries, and of having but one controlling head of the railway working. In this last sentence they regard this controlling head as the traffic manager, and complain that he cannot control engine-drivers. They here confound the functions of a traffic manager with those of a general manager.

It is, however, incorrect to say that traffic managers are precluded from giving any orders to engine-drivers except through the locomotive engineer. On the contrary, any order which relates to the running of a train while the driver is attached to the train may be, and is, given to the driver by the traffic manager, or more generally by the guard acting under him, for the whole duty of controlling the movements of the train rests on the guard, subject to the orders of the traffic manager. On the other hand, any orders not connected with the running of the trains, such as pertain to the treatment of the engine itself, the traffic manager does not give. All employes, however, of every grade, whether in the traffic, locomotive, or permanent-way departments, must obey the general orders of the general manager, which, as a rule, are issued through the proper officers. This arrangement agrees with the most ordinary railway practice, and is not the cause of confusion, hitch, or antagonism at all. If any want of harmony exists it does not arise from a faulty system, but from a lack of good nature in individuals such as may occasionally be exhibited anywhere.

While referring to the functions of the traffic manager, I stated as one of his most prominent duties that of the ordering the movements of trains. My rule is that the traffic manager only shall have power to alter the appointed crossing-place of two trains: in this I follow the regular practice on other railways.

During my examination the Commissioners particularly pressed me on this point, alleging that when trains were behind time this rule was productive of further delay. They strongly insisted that every station-master should be empowered to arrange the crossing-places of trains and alter them to suit the emergencies that may occur. I entirely disagreed with them, because I know that any such

arrangement on single lines of railway, such as these principally are, would inevitably result in collision of trains and consequent loss of life. I still adhere to my rule that no such discretionary power is to be allowed to any but the traffic manager upon the division allotted to his control. This officer has quite enough on his hands to properly arrange for the safe running of trains, together with the discharge of the rest of his duties connected with the traffic. If, as proposed by the Commissioners, his time should be occupied in looking after matters connected with the rolling-stock or permanent-way, the confusion into which the train arrangements would be thrown, and the disaster consequent thereon, may be readily foreseen. The Commissioners proceed to give an example of the extent to which my alleged mismanagement has been carried in the reference they make to engine-drivers having stopped at certain points, acting under orders from the locomotive engineer. The matter is not, in my opinion, worthy of the prominence the Commissioners have given it, but as it has been mentioned I will state the facts. Certain regulations for the guidance of railway employes were made by Order in Council dated 17th April, 1877. This was previous to my appointment to the general management of the Middle Island Railways. The railway was at that time under the control of the late Engineer-in-Chief for the colony. He directed that the books of regulations, prepared as stated above, under the Government authority, should be furnished forthwith to the employes concerned, which was accordingly done. Rule No. 132 in that book provided that—"At all facing-points the handle must be held down whilst any train or vehicle is passing."

Now, there are several stations and sidings at which no railway employe is resident; consequently no one was present to hold the handle of the facing-points at such places for the approaching trains on the morning this rule came into force. The drivers, in obedience to the rule, stopped their trains before reaching the points, and the guards got down to hold the handles. This occurred in the northern part of the Canterbury railways in July, 1877. I was then stationed in Dunedin. The officers in charge on the spot immediately issued a circular informing drivers, pointsmen, and others that, provided the facing-points were properly pinned and locked, it was not necessary that any person should hold the handle. The circumstance was reported, and the circular amending the rule adopted, and has been safely worked to ever since. I draw particular attention to the fact that the rule under which this difficulty arose was not made by me, neither was I consulted respecting it, nor in any way responsible for its issue, and I ask what right have the Commissioners to advance this as an instance of my mismanagement. It seems to me it rather goes to show that they have either been seeking far and wide to make out a case against me, or otherwise, as I prefer to believe, that they have not gone sufficiently exhaustively into the subject to form a correct apprehension of the matter.

Under the heading "Confusion" a vague allusion is made to some order of mine affecting engine-drivers, which the Commissioners find was too literally interpreted, and, as a consequence, the public suffered loss of time and incurred some danger. I have no difficulty in recognizing in this a reference to a special order issued by me directed against the dangerous practice of running trains at excessive speed to make up time lost by delays. The lines in New Zealand were not constructed in a manner to admit of anything like the speed commonly attained on many first-class railways at Home. To exceed the rate of speed for which a railway is adapted by its construction is not only highly dangerous, but is productive of enormous waste and loss from the excessive wear and tear.

I have strictly enjoined a moderate limit of speed to be adhered to by traffic managers in the compilation of the time-tables of the trains. Every one knows that it is impossible always to prevent the occasional occurrence of a train being behind time. On a moment's reflection it will be seen that it would be futile to restrict the rate of speed to, say, twenty miles an hour, according to the printed time-tables, if at the same time it be allowed that, when trains are late, they may be run at thirty or forty miles an hour, in order to make up their time. This is a matter in which the management on all railways have to exercise control, as the tendency to run at excessive speed is a growing one, unless kept duly in check. There is no discretionary line that can be drawn to define at what speed a train half an hour behind its time may be run. Therefore it is necessary to impose an authoritative limit.

As I do not desire that, on the railways under my charge, the ultimate limit should be reached—that is, that a train should run off the rails through travelling at excessive speed, I have imposed other limits. It is no doubt provoking to passengers when the train is delayed, perhaps in the early part of a journey, to find they are kept behind time for a considerable part of the day. But they will doubtless agree with me that it is better that it should be so than run the risk of an accident through running at a reckless speed to make up a little time. I can tell them, from a life-long experience, that they need place but little reliance for the safety of their necks on the consideration that the experienced driver will take good care for his own sake not to run too fast. There is nothing a driver loves more than a good smart run: accustomed, it may be, to fifty and sixty miles an hour on a fine old English railway, he feels fettered by the jog-trot of a narrow gauge. Only give him a nod, to permit him to "let her out," and he will drive, and, if the road will not stand it, then it ought to, and that is no business of his. Knowing these things full well, it behoves a careful manager to put into force all proper and necessary restraint; to withdraw it, as the Commissioners would have it, would be to court confusion and danger.

With regard to the railway telegraph, the matter is one on which opinions may widely vary as to the real economy of its maintenance or abolition. I have strongly advocated its maintenance. It was not, however, initiated by me, as the Commissioners allege, although, under the able superintendence of the officer appointed by my desire, the efficiency of the service was largely improved.

The railway telegraph was first introduced by the Provincial Government of Canterbury under a qualified telegraph inspector attached to the staff of the Canterbury provincial railways. Under this arrangement the block signalling of Lyttelton tunnel was first established.

Under my management, since then, equally necessary systems of electric signalling for the security of trains have been established on other parts of the railway, where, from the formation of the country and consequent inability of the drivers to see more than a few yards ahead of them, the line was as dangerous even as the Lyttelton tunnel itself, unless a proper system of signalling were in use. The introduction of the telegraph into the railway stations has resulted in a direct saving of time, labour, and money, besides adding largely to security of traffic. This I have extended.

The advantage of railway officers being instructed in telegraphy is recognized by the Commissioners, and they advise its encouragement. This is well, and it may be added that under my system of railway telegraph this was already done with marked success. Stationmasters, signalmen, railway clerks, and office boys were trained in telegraphy, and telegraph clerks were trained for railway duties.

No additional hands were introduced, as the report would lead the reader to suppose, to swell the ranks of a fostered department; but the adaptation of the telegraph to subserve the requirements of an extended railway system was the sole end in view. If the Commissioners really consider that telegraphists unacquainted with railway working can as fitly serve for railway operators, at least I may be allowed to differ in opinion.

The system is already abolished, and the railway telegraph is, for the future, amalgamated with the general public telegraph service. I did not recommend this course, but still I endeavour to further the wishes of the Government in the matter, and, if economy results from the change, I shall be glad to find it so, and, so long as the efficiency of the service is not seriously impaired, shall be content.

Unnecessary Officers.—Under this heading a reference is made to a locomotive engineer. On this I ask, do the Commissioners intend the public to suppose that a locomotive engineer is unnecessary at Dunedin? It is not to be supposed that a witness, in an hour's interview, will be able to make four persons, new to the subject, acquainted with the various and intricate duties of a locomotive engineer or superintendent. I have already briefly sketched an outline of those duties in an earlier part of my reply.

I know, from actual experience, that to intrust the care and working of fifty-five locomotive engines of an aggregate value of some £90,000 to a shop-foreman, however long experienced, would neither be prudent nor practical. If the service is to improve and keep pace with the advancements of the age, a number of matters of detail must be attended to with minutest attention and care, over and above the actual repairing of machinery which the Commissioners suppose to be the sum total of the engineer's duties. The report states nothing to show that such an officer is unnecessary, but rather infers the unfitness of the person for the office he holds. With regard to the fitness of a particular person to hold the position assigned to him, those are best qualified to judge who are acquainted with the manner in which he discharges his duties. To assume that no man can, by his ability, energy, and perseverance, qualify himself for any sphere beyond the one he originally commenced in is to lay down a principle that would disqualify many men for the positions they have held and still hold with credit and success. There are many in the highest position in New Zealand who can fully bear me out in this. It is needless to refer to the numerous instances known to every one of men who have been distinguished in professions in which they were wholly self-taught.

Under the same heading of "Unnecessary Officers," a reference is made to the traffic manager at Nelson. The Commissioners do not state that this officer, besides the management of the traffic on the Nelson line, is intrusted also with the maintenance of way as well as the superintendence of the locomotives, not only on the Nelson line, but also on the Picton-Blenheim. This officer is a regularly-trained mechanical engineer. I submit that it would be suicidal to place six valuable engines in the charge of stationmasters that know nothing whatever of their construction or working.

It is further stated that in Nelson there is a storekeeper who has no stores and no office, and who receives £160 per annum. As a fact, there is an officer at Nelson who receives and issues, and keeps the accounts of, stores; but the total cost of the work, salary, and all told for the nine months ending 31st March, 1880, was under £30.

Included in the indictment against the South Island Commissioner, and among the list of "other unnecessary officers," a reference is made to the assistant manager of the Kaipara Railway. In the manner this remark is introduced in the report, a cursory reader, not for the moment observing that this is a North Island Railway, may very readily be misled into the supposition that another case of the South Island Commissioner's extravagance has been discovered, and his mind is influenced accordingly. This is another matter laid against me with which I have no connection whatsoever.

Next it is stated, on the evidence of the manager at Christchurch (as though it were closely connected with Kaipara), "that entirely unnecessary gates are maintained at railway crossings for the purpose of giving employment to old railway servants." The remark follows that, "with such examples cropping up on the surface, and disclosed by a hasty investigation, there can be little doubt that a large number of unnecessary officers would be discovered by a head of the department really wishing to remove them."

I will give some facts which a less hasty investigation would have readily disclosed. When I first took charge of the Canterbury railways in 1877, I found double gates shutting across the railway line, and gatekeepers resident at them at all the principal level crossings on the north, south, and Lyttelton lines within a radius of, say, twenty miles of Christchurch. I advised the Government that a great saving might be made and greater safety secured to the trains by moving these gates and gatekeepers, and throwing open the crossings. This was accordingly done, all the gates were removed off the line, and a large number of gatekeepers discharged by degrees. Some of the gatekeepers, however, were still retained as watchmen at some of the main thoroughfares in the Town of Christchurch and on the Lyttelton line. Considering the large number of vehicles continually crossing the line at such points, and the number of trains incessantly passing, it may be a matter of opinion whether the public safety would be sufficiently considered by removing the remaining few of these watchmen.

But there is another point involved. My frequent representations are well known to the Government, that there are employed in these places persons who have been years in the service, now grown too old to earn their living by ordinary work, and others who, in the faithful discharge of onerous and dangerous duty, have accidentally been maimed and crippled for life. And, while I have frequently urged that the railway, which should be worked as a strictly commercial undertaking to the best possible advantage, should not be saddled with the support of persons who cannot perform remunerative work, I could not turn adrift to starve persons who have faithfully served and suffered in the service of the department. So barbarous and inhuman a measure would be a stigma on any adminis-

tration. Every railway company of standing makes provision for its servants under such conditions. Means should be devised of placing the support of disabled servants of good character on a legitimate footing. In the meanwhile there is no great saving to be effected by turning off the few persons who remain in such capacities, and they are, at the same time, safeguards of the public at particularly dangerous road-crossings.

Another instance of mismanagement which is laid to my charge is the great variety of locomotive engines. It is true there are sixteen different classes on the rails of the Middle Island. Of these sixteen classes I am responsible for the importation of two. One I introduced for the Provincial Government of Otago, for the Southland railways, some years ago, and one since I had charge of the Middle Island railways; the rest were imported by other authorities, without any reference to myself at all. Some were imported by the Provincial Government of Canterbury, some by the Provincial Government of Otago, another by the original proprietors of the Dunedin-Port Chalmers Railway, others by the Public Works Department, and one by the Working Railways Department, on my responsibility. With reference to the last, I can say that it is partly due to the service rendered by this class of engine that larger grain trains than were ever before seen in New Zealand were run with ease and increased economy, and so contributed to the success with which the Railway Department has coped with the last and heaviest grain season on record, the freight having been despatched with great regularity throughout the Island without block or hitch. No one can regret more than myself the multiplicity of classes of engines, which no doubt increases the cost of repairs. In my evidence before the Commissioners I stated my opinion that five classes of engines would have sufficed for all the varieties of work to be done on this system of railway. At the same time, I do not propose to sacrifice the other eleven classes, which contain a large aggregate number of engines. They are here, and have cost a considerable sum to the colony; my business is to make the best use possible of the stock placed at my disposal. I do not consider it surprising that there should be so many classes now found on the railways when it is remembered how many distinct agencies were engaged in procuring them; and experience had to be gained by actual experiment of the engines best suited to the gauge and varying character of railway and peculiarities of fuel obtaining in this colony. Considering the evidence the Commissioners actually have in their possession, it is injustice on their part to endeavour to saddle upon me the blame of introducing this multiplicity of classes of locomotives which they condemn.

Under the head of "Waste and Careless Losses," the Commissioners write, "We found a large staff employed by the department as contractors for the collection and delivery of goods. This is open to the objection of throwing on the Government additional work for the public, and should be checked. A large staff may be reduced, and the public convenience better served, without an increase of cost." Nothing could have been penned that could more completely display the utter want of ordinary business knowledge, as connected with railway working, than the above. The delivery service is the most important part of the goods department; without it we should be in utter confusion. Before its introduction the goods-sheds were blocked: consignees were allowed to cart their own goods, which they did when it suited their convenience. The department contracts at per ton, and charges consignees in the same way: if one-quarter ton is delivered in Dunedin or Christchurch, one-quarter ton is charged for at 1s. 3d. per ton. Instead of throwing additional work on the Government, it has a directly contrary effect, as the contractors not only clear the sheds but collect money. It is the Pickford and Co. and Carver and Co., of Britain, on a small scale, that the Commissioners condemn and recommend should be checked.

Again, as to the railway carriages being left exposed to the weather. Prior to the opening of the through line of railway, while Oamaru was disconnected from Canterbury, twenty-two 6-wheeled carriages were landed at Dunedin for the Waitaki and Moeraki section. They were carted overland to Oamaru, and then erected. When the line from Waitaki to Oamaru (a length of about fourteen miles) was opened only two or three carriages were required for use. The remainder were placed on a siding at a wayside station, where they remained for about two years, until the line was connected, when they were run to the shops. The varnish then required renewal, and other repairs were found necessary, in consequence of the exposure to the weather.

Again, previous to the connection of the through line from Dunedin to Invercargill a larger number of carriages had been landed at the Bluff than were required for use on the Southland railways. These, in like manner, remained in disuse, exposed to the weather, until the lines were connected, when the carriages were sent to the shops for repairs. These were the instances referred to by the Commissioners when the sum, which they state was £1,477 was expended to make good the damage suffered by exposure to weather. The landing of these carriages, both for the Oamaru line and at the Bluff, took place prior to the abolition of the provinces. I was at the time General Manager of the Otago Railways, in the service of the Provincial Government. The carriages were imported by the General Government. I had not the remotest connection with the transactions. Had the Commissioners' investigation been less superficial these facts might have been elicited, and this unjust criticism on my management need never have been made.

I am further blamed for the exposure of valuable engines to the weather and spray of the sea. That engines should have been thus exposed I much regret, and more, that they still are so; but I can refer the Commissioners to my numerous recommendations to the Government to authorize the erection of suitable sheds for the purpose of protecting these engines.

The Commissioners condemn the absurdity of two engineers being required, one from the Construction and one from the Maintenance Departments, to decide on the laying of a new siding. I am far from advocating any such thing. I have always urged that such works should be done under the direction of the Engineer for Permanent-Way only, and this is practically the case now. The reason is obvious. If any person not directly responsible to the General Manager of the Railway is to be permitted to displace the rails, what security can be insured to the lives of passengers travelling in the trains. When I was appointed to the general management of the railway I found no system in force by which safety in these matters could be absolutely insured. There was nothing to prevent any person who might be employed by any one of several different authorities from coming upon the railway and

removing rails to lay in new points, or do similar works, which might at any moment affect the safety of a train. It was long ago recognized by the Government that, with an increasing number of trains running, and the greatly-extended mileage of railways opened, if safety was to be secured a much stricter system must be brought into operation. That I claim to have established.

Under the present *régime* extensive alterations have been effected on the railway, and in large station yards; many miles of railway have been lifted and relaid; bridges have been built; foundations of structures renewed; tunnels enlarged, without either accident to trains or interruption of traffic. To place these works, as recommended by the Commissioners, in the charge of inspectors responsible only to a traffic manager, with the occasional reference to any Government engineer in the locality, would be simply to create so many independent heads for the maintenance of permanent-way.

It has been proved over and over again that a traffic manager, not being trained to this branch of railway work, would leave it entirely in the hands of the inspector, who would practically be uncontrolled and irresponsible. Each inspector has his own ideas of how things ought to be done, and what supplies are required; and, with each inspector independently following his own notions, the result will be confusion and want of uniformity, additional expense, and, worst of all, insecurity to the traffic.

Under the head of "Stores and Contracts" the Commissioners state that "in the management of railway stores there is a want of system, supervision, and precaution so great that it can hardly fail to lead to the most objectionable practices and to serious public loss"—an accusation which would be truly alarming if it were anything more (which it is not) than rash and groundless assertion. With unlimited means of arriving at the truth the Commissioners fail to establish one single instance of the "objectionable practices" or the "serious losses" which are so confidently spoken of. "When tenders have been called for their supply," it is asserted, "matters have been so arranged as to produce very little competition. Sufficient publicity has not been given." What is intended to be insinuated in the first part of this paragraph I do not know, and until the Commissioners vouchsafe an explanation I am likely to remain in the dark; but I can fearlessly assert that, in the discharge of my official duties, there has been no arrangement or management on my part but what has been dictated by an honest desire for the welfare of the department which has been committed to my charge. Upon the point of "publicity" the Commissioners are so curiously in error that I can only conclude that, not having had time to investigate the matter, they have allowed their opinion to be guided by some newspaper proprietor who feels sore that his particular paper has not been made the medium of publicity. The fact is there is, so far as economy is concerned, too much publicity. I hold that ample publicity would be gained for the contracts by inserting the advertisements half a dozen times in the leading papers (say, two) of the principle centres of population; but, under existing instructions from the Government in regard to advertising, much more is done in the way of publication than is absolutely necessary, and advertising becomes a very serious item of expense against our stores, and might be diminished not only without detriment, but with absolute advantage.

The report goes on to say "that public officers have had the most tempting facilities offered them to gratify contractors by passing inferior articles, and we (the Commissioners say) had opportunities of seeing that they did not always resist the temptation." It is to be regretted that the Commissioners do not state what the "facilities" referred to are, in order that steps might be taken to do away with such facilities; but I cannot too strongly condemn the latter portion of this statement. It casts a slur upon a body of honorable men who have no opportunity of defending themselves. If the Commissioners have obtained evidence implicating one or more individuals I submit that the suspected persons should be accused frankly and boldly and placed upon their defence, and that a stigma should not thus, in the face of the public, be placed upon a whole department most of the members of which, at all events—probably all—are guiltless of the wrong thus insinuated against them.

As regards the purchase of stores outside the contracts, I admit that matters in this respect are not all that can be desired; but I have long been alive to the imperfections of our schedules of stores, and every effort is being made to render them complete. The Commissioners seem to forget that the railways of the colony are in their infancy, and are, with all their arrangements, necessarily in a progressive and growing state. The present schedules, compiled a good while ago, comprised, so far as could be ascertained, everything we then seemed likely to require; but, as our business has increased and our operations have extended, new and unforeseen wants have arisen. Before the next tenders are called for the schedules will be made complete so far as our present requirements are concerned, but it must not be supposed that we shall then have arrived at a condition of absolute perfection and finality.

"Tenders have been accepted," the Commissioners state, "for bolts, sleepers, and other largely-consumed articles at prices that should never have been entertained, and in consequence the cost of some of the lines in the colony has been greatly and most unnecessarily increased." This remark is another illustration of the very limited knowledge which the members of the Commission possessed of the subject to which they devoted their labours. Surely the Commissioners should have known that the Working Railways Department has nothing whatever to do with the construction of railways, or with providing materials for such construction, and that in using this allegation as a stone to fling at me it was making a charge against me out of a matter with which I had not the remotest connection.

I need not comment upon the remarks of the Commissioners in respect to the advantage of obtaining stores from England as compared with contracting in the colony, because in this matter I have always acted under Ministerial instructions; but I may state that I have by no means made up my mind that the course indicated by the Commissioners would be the most profitable one for the Government to adopt.

I agree with the Commissioners that a reorganization of the Stores Department is desirable. I am not satisfied with the condition of the department; and, as you are aware, I intimated to you in my annual report that I had it in view to submit to you certain recommendations in this direction, not on account of any "waste"—which the Commissioners allege to exist, and fail to prove—but for reasons of quite a different nature. To take stock of the stores, as recommended by the Commissioners, would only cause a dislocation and interruption of business, and would serve no useful purpose, the operation

of stock-taking having quite recently been performed under the supervision of the Audit Department, and the results carefully compared and balanced with the books. As regards the suggestion of the Commissioners that articles not required should be disposed of, I beg leave to remind you that some time ago I obtained your sanction for the adoption of this measure.

As regards the charge that I have my capital invested in a firm largely contracting with the department, and that my receipts from that capital depend upon the success of the firm, I beg to state that I placed all the circumstances of the case before the Commissioners, that they know that my money remains in that firm against my will, and under circumstances entirely beyond my control. Whether, while stating, as the Commissioners have done, that which was calculated to place me in an unfavourable light, it would not have been honorable also to state the facts which are my justification, and which were equally within the knowledge of the Commissioners, I leave for others to decide. The facts of my connection with the firm referred to are as follow: When I was in the service of the Provincial Government I resigned my position to enter into partnership with Mr. Davidson, and I put such capital as I possessed into the business. Before any great lapse of time the Government solicited me to resume my old position in the service, and, on their offering me a large increase of salary, I consented. I would gladly have withdrawn my capital, but it was by this time so completely absorbed into the business that Mr. Davidson found it impossible to pay me out; and at his earnest solicitation, and because I could not help myself, I allowed it to remain in the business as an investment, at a promised interest of 8 per cent. This was done with the full knowledge and acquiescence of the Government.

My partnership with Mr. Davidson was at once dissolved by a formal and legal deed, and one of my first acts on resuming my official functions was to issue an order to the effect that under no circumstances were any departmental orders to be given to the firm of Davidson, and I have never made use of any influence I may possess in Mr. Davidson's behalf, either directly or indirectly.

Having no control over Mr. Davidson, I had no means of preventing him from competing when contracts were publicly advertised, nor, in the strength of conscious integrity, would I have exercised such control had I possessed it. As a fact, he has on several occasions competed for the contract, and he has, I believe, twice obtained it; but, as the contracts are always given, under Ministerial authority, to the *lowest tenderer*, it will be for unprejudiced persons to consider whether any reasonable grounds exist for seeking to fasten an imputation upon me in this connection. Personally I have nothing to do with the contracts except so far as is hereinafter noted. The tenders are opened by two officers deputed for the purpose, who prepare a comparative statement of the prices, and indicate, by a recommendation, the one which they consider the lowest. I satisfy myself that they are correct, and then forward my recommendation to the Hon. the Minister for Public Works, who signifies his pleasure in the matter.

I have now answered in detail the various charges brought against my personal character and my administration of the Middle Island Railway Department in the Civil Service Report. That the Commissioners should censure the arrangement of a system, or pass a sweeping condemnation upon matters inquired into too superficially to properly understand them, is not so much to be wondered at; but what excuse can be offered for their attempting to charge again and again upon me the alleged shortcomings of former administrations, and the blame they attach to matters with which I have not the remotest connection. I look to the Government, as my natural protectors, to see that I have justice; and I doubt not that all impartial persons will desire that the truth in these matters should be fairly established.

You, sir, as head of both the Railway and Public Works Departments, can dispense with my services if other than satisfactory to you. I take for granted if such were so you would have informed me before now. And you are in a position to do this without destroying my reputation in the sphere which is the speciality of my life—in which I am well known to the heads of large railway establishments in many parts of the world. You can, at the same time, testify to the manner I have furthered your endeavours to make every possible retrenchment, and that by so altering the structure of the system as to adapt it to the greatly-altered financial and commercial circumstances of the colony, and that I am still effecting savings of an extent more than commensurate with the sweeping and impractical suggestions of the Commission. And, further, that these retrenchments are of a character that will not plunge the system into confusion and demoralization; but will be carried out in combination with your arrangements concerning the intimately-connected Department of Public Works. I rely upon you to protect me from the most damaging effects of such a report as this, which will find circulation throughout the whole railway world, by giving equal publicity to the other side of the question. I am attacked in personal character and official reputation by persons who one day go out armed with all the authority of the State, give forth their official assertions to the world, and when these statements come to be challenged they can vanish out of official existence. I am particularly struck that throughout their report the Commissioners exhibit no heed to any other consideration than the saving of money. I am myself fully alive to the absolute necessity that every possible saving and retrenchment should be made, and they are actually being made. A railway man has, however, always before him a still more important consideration than the saving of money, and that is the safety of the lives intrusted to his care. When passenger trains are running over a widely-extended system of single-line railways, of a cheap construction, through an irregular country, and with an incomplete system of telegraph, besides many other disadvantages not known in England, no one knows better than myself the innumerable liabilities to disastrous accidents. A stone falling from a cutting, a broken rail, misplaced switch, mistaken order, defective signal, and a thousand other causes may, at any moment of the day or night, result in loss of life. To secure safety over every part of such a system is the first consideration to which my most particular attention is directed, and, by a connected chain of responsibility and control extending from myself to the remotest employé in the Island, I enforce continually the habit of vigilance and constant attention to the precautions established by experience. These matters the Commissioners, both in their examination and report, have treated with disregard. They do not take into consideration the expense inseparably connected with the systematic provision for safety. This is marked in their recommendation that the sole management and control of 767 miles of railway should be placed in the charge of "a man of business"—"not even a railway expert." They would,

moreover, divide his attention with the North Island as well. They urge that every stationmaster be authorized to order the running of trains, and change their crossing-places at discretion, and this, be it remembered, on a single-line railway. The permanent-way is to be intrusted to the inspectors, as the working engineers of the line. What chain of communication should be established between these numerous and scattered working engineers and the managing business man is not explained. If a bridge should break down, or a retaining-wall give way, the nearest stationmaster would send for any Government engineer who might be in the neighbourhood to direct the rebuilding. If no such officer were at hand, the traffic would remain indefinitely suspended until application was made to some distant authorities to send an officer to attend to the case. How accounts of the cost of carrying-out such works would be kept by the inspector the reader is left to imagine. I do not think any private proprietor would so dispose of an establishment worth millions of money.

I shall now be stating matters within the knowledge of numbers of persons whose business has brought them into connection with the railway, when I say that, on my appointment to the charge of the Middle Island railways—when I was first transferred to Christchurch—a standing difficulty annually recurring was the block of the grain traffic. Many Christchurch merchants warned me that, coming from the South, I had under-estimated the difficulties of the grain season, and should break down. These same gentlemen can vouch for the fact that no such breakdown ever occurred. System and regularity were introduced. Each successive grain season has been worked more easily than the preceding, and this year, with a heavier grain crop than ever before known in this Island, the produce is being carried, without jar or difficulty, with greatly-increased despatch and economy. I do not claim personally the credit due to the success of each detail; but I can fairly claim to have organized the system under which these results have been produced.

Further, I found various customs and methods of working prevailing in different parts of Otago and Canterbury which were occasions of irregularity and consequent expense. By degrees, with much uphill work, order and regularity have been established, many old-standing abuses have become things of the past, and strict regulations defining the duties of various employés have been brought into operation.

Through a period of financial depression the traffic receipts have largely fallen off excepting in the matter of grain. At the same time great reductions in the working expenses have been effected. The cost of running engines has been reduced to less than half what it was in 1876.

Although the lines are older and more worn, and the cost of renewal is consequently greater, at the same time the cost of maintenance of way is on the whole less than formerly, owing to the stricter regard now paid to economy of labour and material.

All these and other fields of investigation are open to fair inquiry, and will show that the improvement of the system of railway working in this Island has been marked by a steady progress. It is a system that has to be built up step by step, through many difficulties that cannot be appreciated by a passing visitor. I do not profess that the system is perfect; on the contrary, much remains to be done to increase its efficiency and diminish its cost. It requires much care, while retrenching expenditure, to effect the end in view without unduly sacrificing what has already been gained, and without throwing back the railway system of the colony into the irregular and disjointed state of its earliest days.

While engaged in writing this reply, it has come to my knowledge that the Civil Service Commissioners have actually examined as one of their witnesses a person dismissed the service for drunkenness. If they would place reliance upon such evidence as that, they might as well base their report upon the statements of other persons discharged for misconduct, which can be frequently seen in the daily papers.

I should state, in conclusion, that my reply is based on the text of the Civil Service Commissioners' report as published in the *Dunedin Evening Star* of the 19th instant, a copy of which I enclose. Should the original report differ in any material points from the copy at my disposal, I beg I may be excused if my rejoinders should not apply.

I have, &c.,

WM. CONYERS,

Commissioner of Railways, Middle Island.

The Hon. the Minister for Public Works.