

Mr. Vaile stated that having no departmental returns upon which to base his calculations, he was unable to estimate even approximately the effect of his system as applied to goods-traffic. The evidence regarding the applicability of the system to the carriage of goods, from which source more than two-thirds of our railway revenue is derived, was unfortunately of the most meagre description, all of the witnesses called by Mr. Vaile stating that they had not considered that part of the question, and declining to express any decided or definite opinions regarding it.

The Committee finds,—

1. That it may be inferred, from the numerous petitions on the subject referred to the Committee, that a great deal of discontent and desire for change exists in the colony in regard to the present system of railway management. These petitions also favour the adoption of Mr. Vaile's system.
2. That although the system now in force in New Zealand is similar to that in the United Kingdom and its dependencies, and is well administered, it is nevertheless not satisfactory as a system.
3. That there is generally a belief that the present scale of charges is higher than is desirable in the best interests of the colony; and that a considerably reduced scale, especially as regards the carriage of goods for long distances, and as regards New Zealand products, would largely promote settlement and production.

For these reasons, while admitting that the evidence adduced in favour of Mr. Vaile's system has not been sufficient to prove that it would be a financial success, or to warrant its application to the railways of the colony as a whole, the Committee, bearing in mind the great importance of the subject, is of opinion that a trial should be given to the system on an isolated section of our railways.

It would, however, be unfair that one part of the colony should enjoy the advantage of cheap transit, thereby enhancing the value of property therein, at the expense of the general colonial revenue. Therefore the following proviso is necessary, and the Committee recommends the Government, by legislation, to give the local bodies the power of carrying it into effect where they so desire:—

Provided that the various local bodies in the district served by the section of railways to which this scheme is to be applied shall have previously struck a rate sufficient, in the opinion of the Governor, to recoup any loss to the revenue which it may entail. Such loss, if any, to be calculated on the basis of the revenue of that section for the past financial year, with the average increase or decrease of general revenue of the New Zealand railways either added or deducted.

12th August, 1886.

E. MITCHELSON,
Chairman.

MINUTES OF PROCEEDINGS.

WEDNESDAY, 2ND JUNE, 1886.

The Committee sat pursuant to notice.

Present: Hon. Major Atkinson, Mr. Gore, Mr. Hatch, Mr. Macandrew, Mr. Mitchelson, Mr. O'Connor, Mr. Ormond, Hon. Mr. Richardson, Mr. Walker, Mr. Whyte.

The order of reference was read.

It was proposed by Hon. Mr. Richardson, and seconded by Hon. Major Atkinson, That Mr. Mitchelson be the Chairman of this Committee. The motion was unanimously agreed to; Mr. Mitchelson stating that he could only accept the Chairmanship *pro tem*.

The Clerk then read the petitions presented to the House on the subject.

On the motion of Mr O'Connor, *Resolved*, That Mr. Vaile be summoned to attend this Committee, and that all the papers in connection with the order of reference be obtained, and deposited for the perusal of the Committee.

On the motion of Hon. Mr. Richardson, *Resolved*, That Mr. Maxwell, General Manager, New Zealand Railways, be ordered to attend the meetings of the Committee.

The Committee then adjourned.

TUESDAY, 8TH JUNE, 1886.

The Committee sat pursuant to notice.

Present: Mr. Mitchelson (Chairman), Hon. Major Atkinson, Mr. Gore, Mr. Hatch, Mr. O'Connor, Hon. Mr. Richardson, Mr. Whyte.

The minutes of previous meeting were read and confirmed.

On the motion of Hon. Major Atkinson, Mr. Vaile was called in, and asked if he would prepare a definite sketch of his railway scheme, to be printed for the information of the Committee.

Mr. Vaile thought that by Friday, the 11th instant, he would have the scheme sufficiently elaborated to lay before the Committee.

The Committee adjourned *sine die*, pending the printing and circulating of Mr. Vaile's statement.

TUESDAY, 15TH JUNE, 1886.

The Committee sat pursuant to notice.

Present: Mr. Mitchelson (Chairman), Hon. Major Atkinson, Mr. Gore, Mr. Hatch, Mr. O'Connor, Hon. Mr. Richardson, Mr. Walker, Mr. Whyte.