

in such a way as is most convenient or the use of the officers engaged in working, to enable them to control and review their work. Americans keep more diffuse statistics. In one case I found expenses kept under 224 heads. I should not advise incurring expense in extending our accounting. I think our system is sufficient for our purposes.

In the management staff, the chief officer here has not had an equal amount of assistance to what is usual in American railways of like magnitude. Chiefly, this has come about from the necessity for adapting the control to suit the conditions of working a number of detached sections, and in endeavouring to keep down the expenses of management at the same time. The result here has been that the work of management has been more onerous than it should have been.

In America the management is much less fettered in its operations than has, so far, been the case here. Railways are in the control of professional experts, who have been able to give their entire attention to administration, and to act with promptitude. Here we have been handicapped by the great amount of reporting, memorandum-writing, and reference of correspondence to the Minister. If this can be mitigated better attention can be devoted to the public railway business. It remains to be seen if this can be done. It is by no means so readily dispensed with, however, where the railways are public property, as might at first sight be supposed.

The most vital question is that of rates and fares. New Zealand is better off for freight facilities, in a general way, than a large proportion of the United States settlers. Many of our rates are lower than American rates, and our very-short-distance rates are unduly low. It will be remembered that from 1880 to 1883 the present management produced much better financial results than have since been got, because the policy then was to realise as much revenue as possible. The altered results since that have been due to circumstances outside the control of the management. Among other things, wages have been raised, rates and fares have been lowered, and additional duties have been added. The Government have never exercised the powers of the Public Works Act to define the duties and responsibilities of the management; but steps have been taken by the Minister not as the outcome of professional advice, but as a part of the public policy, and with a full knowledge that the profits on the railways would be thereby diminished: and these facts have been clearly indicated from time to time. We have thus been pursuing a course ruled by other considerations than the mere earning of profits. In this the practice has differed entirely from that of private companies, whose business is regulated by the companies' professional officers with the sole object of making money.

In considering whether any of the principles which rule in American management should also be adopted here, this question should be the foremost to be determined.

If additional revenue is to be obtained now by raising rates, it should only be after the most careful consideration of all the local conditions prevailing, as well as the general bearing of any such steps. It will be in many instances advisable to act in the other direction. It would be injudicious to attempt any wholesale increase in rates and charges at the present time; the circumstances prevailing in the outside markets of the colony ought to be much more studied than they have been, and the capacity and means of the competitors in the colonial markets should be closely scrutinised. I know very little of South America; but, from what I have been able to gather casually, the capabilities of the southern continent should receive attention, for from that quarter great competition in the markets may be expected, and the colony should certainly possess accurate information as to what is being done there. Having such information, we shall often be better able to determine whether it is necessary to reduce rates to allow of the colonial producers having a fair chance of competition or not, and it may serve to prevent revenue being needlessly sacrificed when it is difficult to spare it.

I have collected a very large amount of data about rates, fares, regulations, time-tables, and trains, and traffic-work in the States, which are available for examination. But, regarding these matters, such data must always be looked at with caution, in the absence of local knowledge.

English and European practices, as a rule, cannot be adopted in our colony, on lines built for slow speeds, and furnished with light stock. Luxuries which can be freely given where a population numbers many millions, are extravagant where it numbers only a few hundred thousands. English roads, engines, and stock are such as to be entirely beyond our financial means.

English rating as practised would never be tolerated by the New Zealand public for a day on the State railways. It is not practised in any other country in the world except England. In the Eastern States of America also the traffic and population are so vast that to aim to take their railroad practice as a guide is entirely beyond our means or our needs. In the Western States the railroads in country districts in point of accommodation for traffic and passengers at stations, and for complete and efficient organization, are in many instances much behind us; the public in such places is content to put up with very limited accommodation for goods and live-stock in the shape of roads, yards, sheds, and rolling-stock, such as in this colony would be regarded, not alone as insufficient, but as intolerably objectionable.

While train-speeds in the Western States on the whole are better than ours, the country as a whole being easier to traverse, the stations being fewer, and the rails and rolling-stock heavier, the journeys are much longer, and neither in point of time nor expense are people as well off in travelling as in these Islands, where the distances to be traversed are so much smaller.

Any one who will carefully compare the present condition of the New Zealand railways with that of eight years since will see what enormous improvements have been effected in the roads, stations, rolling-stock, and trains. Concurrently with this, rates and fares have been greatly reduced, and expenses have been lowered. For example: Hurunui-Bluff system with 750 miles cost in 1879-80 £439,717 to work; this year, with 1,048 miles, the expenses will not exceed £410,000. We may reasonably expect improvement to continue if the professional management is instructed to control the working so as to prevent extravagant outlay of all kinds, and to devote itself entirely to attending to the public wants.