D.—2.

Improvements should run concurrently with increased population. At the present time our railway system and appliances, with a few exceptions, are far greater than the present population can properly utilise; and one of the essential points to be observed in the future, if economy is to be practised, is to limit the extension of railroads until the population is greater, and to abstain from outlay on works, accommodation, and appliances which often are not only not needed but are positively objectionable from a public as well as from a departmental point of view, and which add to the expenses of maintenance and working without bringing any additional revenue or traffic. It must be remembered that it very often happens that private accommodation and favour is not to the public advantage, either in working the railway or indirectly by improving revenue. No railway-administration ever seems to be popular. Economy and saving expense are points not usually applauded by the public; conveniences and improvements added from time to time seldom call forth any remark. On the other hand, great numbers of people are seekers after private favour at the public expense, in the shape of personal rates, lower rates, stations, private sidings, bridges, level crossings, fencing, drain, age, and a hundred other things which may be improper to grant, on grounds of public convenience and right. In dealing with supplies, also, the authorities who have to guard the interests and rights of the department have to face much ill-feeling and resentment. All these numerous disappointments give rise to numerous expressions of dissatisfaction, which are always heard of and are seldom understood, and which invariably induce much adverse criticism of railroads. this respect in a worse position than private companies, because the latter entirely disregard all these unfounded and prejudiced attacks, while State departments are necessarily very susceptible to such attacks, however unjustifiable they may be. A State administration can never hope to escape severe criticism, any more than private companies do, and vigorous public criticism is moreover a very wholesome stimulus. We can never hope to take any important steps without some criticism, however effective the administration may be.

The thanks of the Government are due to Messrs. R. W. Cameron and Co. and to Messrs. Burnham, Parry, Williams, and Co. for the great assistance they rendered to me in obtaining information and introductions; and also to Mr. M. B. Forney, Editor of the *Railroad Journal*, for similar courtesy. To the gentlemen in charge of the railroads and associations mentioned thanks are due for their great courtesy in giving information and opportunities of seeing and studying their practices. I have also to thank the Jackson and Sharp Company, the Roger Locomotive Company, the Allen Paper-wheel Company, the Government Commissioners of the Kansas State, the Editor of the *Railroad Gazette*, and many others, through whose courtesy and assistance I was enabled to

obtain information for the Government.

I have, &c., J. P. Maxwell, M. Inst. C.E., General Manager, New Zealand Railways.

The Hon, the Minister for Public Works.