

has for the last quarter of a century been in the direction of compelling the railway companies to adopt principles in railway management which are opposed to the practices of commerce: there is no proper analogy between the exchange of goods and the performance of the duties of a railway carrier. To give equality of treatment to all persons using the railways under similar conditions, and to give uniformity of charges, has been the direct tendency of nearly all modern railway legislation.

The processes known to commercial men, the essence of whose business lies in bargaining, are almost entirely condemned by all the civilised nations of the world as applied to charges for railway services; and commercial practice as a rule is regarded as inapplicable to railway management.

The Commissioners have endeavoured to conform to the spirit of the age, believing that the railways should be worked for assisting the development of the resources of the colony, rather than in a narrower commercial spirit which has in view the exaction of the utmost farthing from the producer. In pursuing this course they have also been guided by the Government Railways Act, in which Parliament has laid down that they shall give due consideration to the promotion of settlement and the encouragement of industries.

On these grounds they have made it one of their chief objects to reduce rates and charges affecting colonial productions and industries extensively. The extent to which this has been done is shown in return D.—24, presented to Parliament during last session, and in the returns attached to the annual reports.

That this principle has been applied prudently and advantageously is shown by the progressive character of the railway traffic and revenue.

The average results of the four years preceding the control of the Commissioners, and of the four years of their administration, are summarised in the figures following:—

			Revenue.	Expenses.
Average for four years, 1886 to 1889	...	...	£1,009,661	£680,946
" " 1890 to 1893	...	...	1,128,556	705,537
Increase ...	...	...	£118,895	£24,591

An average of 110 miles more railway has been worked during the latter four years. The capital has been increased by £1,260,283, and the interest earned on the capital has increased from £2 12s. to £3 1s. per cent. While the revenue shows this satisfactory average growth, the increase in the average expenditure has been insignificant, and contradicts the erroneous statements which have been made, charging the Commissioners with extravagance.

A return furnished to the order of the House of last session shows that the salaries paid by the Commissioners of £200 a year and upwards in 1892 amounted to £41,662; in 1889, when they took office, the corresponding amount was £41,509, which indicates that care has been taken not to increase the cost of administration.

Concurrently with the lowered charges, improved revenue, and economical administration, the Commissioners are able to show beyond doubt that the railways are better, the carriage and wagon stock accommodation is more extensive and convenient, and that the engine and brake powers are greater and better adapted to the traffic than when they took office. The time-tables also have been very materially improved and the train-times quickened on all the larger sections.

During the year legal difficulties have arisen in connection with working the Fernhill branch. This coal siding, which was constructed by the Crown from funds supplied from private sources, has become vested in the Commissioners; it would be better if it were by Act transferred to the legal representatives of the parties who paid for its construction.

Through the construction of the railway from Napier to Palmerston, and of the junction station initiated by the Government before the appointment of the Commissioners, litigation and expense to the colony have occurred from the occupation of the area needed for station purposes handed by the Minister to the Commissioners, which interferes with certain streets in Palmerston.