MIDLAND RAILWAY.

In accordance with the resolution passed by the Public Accounts Committee last session, a Royal Commission was appointed, and, after a very exhaustive inquiry, has reported, practically, that the company and debenture-holders have been very well treated. They find that the total expenditure by the company on the railway was £1,108,628, of which only £654,411 was expended on the actual construction and equipment of the railway, and the balance—£454,217—on supervision, commission, salaries, cost of raising capital, interest charged to capital account, and incidentals.

The Commission states that the financial charges in connection with the undertaking were enormous in comparison with the work done, and that the sums paid for the debenture interest, shareholders' interest, cost of raising money on debentures, administration, engineering, and law-costs were out of all proportion to the amount expended on construction and equipment. They further report that the selling-value of the whole railway, based on the revenue earned, and allowing for prospective increase for ten years, is £192,833, and that the amount realised by the company from the Government land-grant was £313,060, or £50,195 in excess of the value at which the grant was debited to the company. They also find that the Government provided money towards the construction of the railway to the amount of £38,439.

The Commission were asked to ascertain the selling-value, and, on an assumption as to relative losses, to apportion under the following conditions: "The said lines of railway having been constructed by means of moneys provided partly by the shareholders in the said company, partly by moneys raised upon debentures, and partly by moneys provided by us by our said grants of land and out of our Colonial Treasury, in what proportion should the money value of the said lines of railway, estimated by you as aforesaid, be apportioned among the three said several contributors to the cost of construction?"

The Commissioners on the hypothecial basis that the several contributing parties towards the creation of this asset should share in its distribution rateably, apportioned the selling-value of £192,833 as follows: To the debenture-holders, £126,788; to the company, nil; to the Crown, £66,045.

It will be seen, however, that £654,411 only was expended on the construction and equipment of the line, and of this sum the amounts realised by the company from the Government land-grant formed nearly one-half, whilst taking the selling-value of the line at £192,833, and the amount realised from land-grant at £313,000, it will be found that £120,237 has been provided by the colony in excess of the selling-value of the line.

The petitions of the debenture-holders and of the company, presented last session, should be dealt with this session.

POST AND TELEGRAPHS.

The Post and Telegraph is one of the most important departments of State, and is inseparably interwoven with the public finance, and is one of the barometers that never fails to disclose the progress of the colony and the condition of the people. In character it is more for the convenience of the people than for revenue-producing purposes, yet notwithstanding the many unpaid services performed it has proved more than self-supporting. Last year the expenditure was £416,363, and the receipts £503,181; this year the expenditure is estimated at £441,214, and the revenue is anticipated to reach £485,800. To show the increased business in connection with the telegraph and telephone services since the year 1890 the following table is submitted for the information of honourable members:—