

sons, who failed to move with the commercial spirit of the age. From the earlier view, public opinion has of late years gone to the opposite extreme, the outcome having in many cases been coercive and restrictive legislation, often of a harassing and unpractical character. Many States have gone the length of trying to prevent the practice of special rating in the cases where water competition or competition in the markets would prevent the conveyance of any traffic by rail without special rates adapted to the natural conditions of the country and trade. The State of Illinois at one time passed such stringent laws that all railroad-construction ceased, and many railroad companies became bankrupt. I have obtained copies of the laws of some of the States at present in operation. The State of Illinois forbids unjust discrimination or extortion, defining it as charging not alone more to one than to another for the same service, but as charging less for the longer than the shorter distances, in the same direction, under various circumstances. Kansas State provides for all charges for like services being the same to all persons, and that no unreasonable charges shall be made. It prohibits pooling. Oregon State forbids personal discrimination, the granting of rebates or drawbacks in any form, and compels the publication of all rates and charges. It forbids combination, to prevent continuous charges. It forbids the practice of charging less for the longer than the shorter distance in the same direction.

Finally, there is the Inter-State Commerce Law passed by the Congress of the United States last year, which applies only to traffic originating in one and terminating in another State. It provides that all charges shall be just and reasonable; it forbids unjust discrimination between persons by special rates, rebates, drawbacks, or other devices; it forbids undue or unreasonable preferences to persons, companies, firms, corporations, or localities, and granting free passes; it forbids pooling; it also forbids the practice of charging less for the longer than the shorter distance for similar services in the same direction, but it permits certain Commissioners, who are appointed under this Act to attend to its administration, to suspend the operation of this provision in special cases. This is a most important reservation. It is an admission on the part of the Supreme Legislature that no absolute rule about rating localities can be laid down, and that charges must and ought to be regulated by an intelligent consideration of all the conditions surrounding the traffic, the locality, and the market. Some of the individual States have been less prudent in this respect, and by their legislation essay to restrict the natural advantages which one locality has over another for purposes of trade, seeking to prevent the railway managers from adapting their practice to suit the varying circumstances of trade, competition in markets, climate, and competition by rival carriers by land or water. One prevailing error seems to largely pervade public opinion on this branch of the subject; it is this: that the length of the railway is the only element which should govern the fixing of charges. It may as often happen as not that the distance between two points by railway by no means regulates the cost of conveyance between them. It may happen that a railway, on various grounds, travels a very circuitous route between two points, and in such case it may be needful to compete against more direct communication; or there may be a connection by water between two points on the railway by which traffic is carried on almost regardless of distance, or there may be competition in the markets: foreign goods, for instance, may be coming into a port competing against inland supplies, and the development of the industry of the country may demand special treatment. In such cases, to make a railroad regulate all its charges by using such special rates as a standard may ruin it financially. To forbid special rates would merely be to deprive the railroad of earnings it might reasonably secure, to deprive the locality served of advantages it might be justly entitled to by its position, and to prevent the development of the industries of the country owning the roads. Whatever laws may have been hastily passed which may thus injuriously affect the railroads, the localities, and the trade of the country, they will certainly be altered when the public appreciates their operation fully.

The fact generally seems to be overlooked that for the most part all these operations are for the benefit of the consumer: the tendency of the Inter-State Commerce Act seems generally adverse to these interests. The Inter-State Commerce Act also provides for the publication of all rates, fares, and charges. There is little doubt that the publication of rates will largely curtail irregular practices. The United States, in this respect, is approaching the practice of the European countries, of the Australasian colonies, of some of the South American countries, the African colonies, and India. Special as well as scale rates can always be published, and can always be available for reference at all stations. There is nothing in the publication of rates which will ever restrict legitimate business. It is not clear upon what grounds the practice of pooling has been forbidden, or what good results can follow from its restriction.

It is well that we should learn, by the great troubles which have arisen in the United States over railway rating, to avoid like errors in New Zealand. Hitherto personal discrimination and rebating has made no way, because it has been discouraged and resisted by the railway management, merely on the grounds of the lines being national property. There is no law forbidding it, but, now that private companies are coming into the field, proper restrictions should be made by law; and it would be well that the subject should be thoroughly studied, to avoid the errors into which others have fallen. The great extent of the public agitation, discussion, writing, and legislation which have gone on and still go on in the States on the subject of rates is little known in New Zealand; no such discussion or consideration has ever prevailed here, because, so far, many evils have been absent; but there is no guarantee that this order of things will continue, and it is therefore desirable in good time to take proper precaution. As long as there is no law against such practice, railway managers have to resist the attacks, public and private, of every disappointed seeker after personal favour, and these attacks serve to influence and bias the public opinion, while the cause and origin of them is unknown or misapprehended. With proper legislation this difficulty would disappear to a large extent. Many of the leading railroad experts in the States whom I consulted considered that, on the whole, the inter-State law was a step in the right direction; others dissented from the tenor of the "short-haul" clause. It seems to an outsider more than doubtful that it can be