

London to Bletchley (London and North-Western Railway)— 46 $\frac{3}{4}$ miles:—			
Fares	...	8/6	6/3
New Zealand fares for corresponding distance	...	10/	6/
London to Rugby (London and North-Western Railway)— 82 $\frac{3}{4}$ miles:—			
Fares	...	15/6	11/6
New Zealand fares for corresponding distance	...	17/7	10/8
Brecon to Swansea—40 miles:—			
Fares	...	8/6	6/
New Zealand fares for corresponding distance	...	8/7	5/3
Brecon to Merthyr, 24 miles:—			
Fares	...	5/	3/6
New Zealand fares for corresponding distance	...	5/3	3/3
Waterford to Kilkenny Junction (Ireland)—31 miles:—			
Fares	...	6/4	4/6
New Zealand fares for corresponding distance	...	6/9	4/2

On account of the heavy gradients on the Auckland and Mercer Railway, the single-journey fare charged for first class is 11/, and for second class 7/6; being an addition of 1/ in the case of first-class fare, and 1/6 in that of the second class, to the rates quoted above.

After the lines have been working sufficiently long to enable trustworthy experience to be formed, the question of fares will be taken into consideration, with a view to reductions if it should be considered advisable.

Our labour costs us 75 per cent. to 100 per cent. more than similar labour in England, and, as all our stores have to be imported, the cost of working is considerably increased.

The cost of coal is an important item, and while costing in England in no or very rare cases more than 15s. per ton, varies in the colony from 37s. to 64s. per ton.

I believe there are no railways where such facilities are given to school children, who can now travel on any of our lines *for any distance* for £3 per annum. And I believe I am right in saying that our season tickets are also lower than on many English lines.

I have fixed the speed of our trains at 15 miles an hour as being quite sufficient to meet the present requirements of the traffic, and also as being the most economical speed.

Stopping places will be provided from time to time as the exigencies of traffic may require, as has been done during the past year at the Toll-gate and Boiling-down Establishment on Napier and Waipukurau Railway, and at Petone, on the Wellington and Hutt Railway.

I have prepared tabulated statements giving all the information that can, I think, be required, marked as under:—

Statement of Expenses on each Line of Railway. Appendix A.

Statement showing Mileage, and Expenditure and Receipts, and Proportion of each Class of Expenses to Mileage and Receipts, &c. Appendix B.

Statement of Passenger Receipts, &c. Appendix C.

Statement of Goods Earnings. Appendix D.

Statement of Accounts. Appendix E.

Estimate of probable Receipts on each Line of Railway. Appendix F.

Statement showing Quantity and Condition of Rolling Stock on Opened Railways. Appendix G.

Statement of Accidents and Injuries to Life and Limb. Appendix H.

The other railways expected to be opened during the next financial year are:—

KAIPARA RAILWAY (Riverhead to Helensville, 16 $\frac{1}{4}$ Miles).

This railway connects the Kaipara River on the west side of the island with Riverhead on the east. The country through which this line passes does not justify the expectation of much local traffic, but it is hoped that a considerable amount of timber will pass over the line, to be rafted down from Riverhead to Auckland.

PAKIPAKI towards WAIPUKURAU (8 Miles).

It is expected that shortly another 8 miles of this railway will be open for traffic. I do not anticipate that this will add very much to the prosperity of the line, as it is not far enough to tap a large area of productive country, and is too far from the Seventy-Mile Bush to cause timber required in Napier to go that way.

HUTT TO UPPER HUTT (11 Miles).

It is expected that the opening of this portion of the line will create a considerable timber traffic; but I do not look for satisfactory results from this railway until it touches the interior.

WANGANUI AND MANAWATU—Portion of this line joining the FOXTON TRAMWAY (14 Miles).

It is hoped that the opening of this line will create a large timber traffic, and prove of great advantage to the large district round Feilding.

This place is now a thriving town; but is often difficult of access, owing to the bad state of the roads, so that the railway will be the highway for all passengers and goods. It is intended to place this section of the line under the same management as the Foxton Tramway.