

WANGANUI AND MANAWATU—Portion of (22 Miles).

I have not had an opportunity of visiting this railway, and am therefore not in a position to give any reliable estimate as to its prospects; but from all I can gather after careful inquiry I am of opinion that the railway will pay even while this short length is opened. There will be a considerable timber traffic when the railway reaches the extensive and valuable bush near Feilding and Bunnythorpe.

NEW PLYMOUTH AND WAITARA (11½ Miles).

I have not had an opportunity of visiting this railway, but I am informed by persons of local experience that the receipts will be in excess of the working expenses.

PICTON AND BLENHEIM (18 Miles).

It is probable that the line will be opened in August. Considerable timber traffic is expected on this railway, and also a fair amount of goods traffic.

NELSON AND FOXHILL (20 Miles).

This line will be opened shortly, and as it passes through numerous villages and small holdings, it is hoped that the line will be found to pay. There is no *special* traffic on which the success of the line depends.

GREYMOUTH AND BRUNNER (7½ Miles).

This is entirely a coal railway. The traffic looked for will be sufficient to show a good return.

I have prepared estimates for the working expenses of all the above-mentioned railways. In most cases these estimates must of necessity be but vague; but I have considered the matter with becoming care, and have given figures which the experience on other of our lines pointed out as nearly correct.

My estimate of probable receipts is also vague, as the statistics of traffic (on the roads corresponding with these lines) available appear to be very unreliable.

The estimates of expenditure are calculated on the basis of the existence of the amount of traffic as estimated for the probable receipts.

Stores for the use of the Railways opened for traffic have been ordered through the Agent-General in England to the value of £16,000.

Great difficulty has been experienced in obtaining suitable persons to fill the various posts on the railways, and, as it was an entirely new business, everybody had to learn his duties. This has thrown much extra work on my office. I hope, however, to be able to report more favourably next year.

Arrangements have been made for the establishment of a Railway Audit Office, under the control of the Commissioners of Audit. By this means both the departmental audit and the audit of revenue are carried on at the same time by one staff of officers, thereby effecting a great saving of time and labour. A most important matter connected with the audit has been the establishment of a thorough check on all railway tickets, whereby they can now be traced from the hands of the printer to their sale to passengers. This improved system of audit has been working for a fortnight, and bids fair to be a success.

The Engineer-in-Chief.

FRANK B. PASSMORE,
Superintending Engineer for Constructed Railways.