

It will be seen from this table that there are now opened for traffic 277 miles. By the end of September it is expected that further sections to the extent of 173 miles will be opened, making in all 450 miles, or nearly one-half the total length. One hundred and seventy-eight miles are not yet placed under contract. The plans and specifications for half of this latter distance are prepared, and tenders may be called for whenever it is considered desirable to do so.

SOUTH ISLAND.

The works in the South Island are now so far advanced that their successful completion for £3,903,581 may be confidently reckoned on. This is £221,681, or 5·6 per cent., more than the original estimates; the extra cost being due almost entirely to works being done which were not at first intended.

In the original scheme it was always strongly urged that the lines were not to be fenced, and that the stations should be of the roughest character. It has been found impossible to keep strictly to this intention. The cost of land would in many cases have been much increased if a promise to fence had not been given, and it has been found necessary to expend in the South Island £113,000 for fencing, almost the whole of which is extra to the original estimates.

It has also been found necessary to increase the station accommodation and rolling stock beyond the original estimates, owing to the great increase in the trade of the country which has taken place since the works were begun. Exclusive of sidings, the stations have cost £239,000. Part of this is due to the increased cost of building, the prices for which have advanced from 50 to 70 per cent. within the last two years; but a great deal is due to increased accommodation which it has been found necessary to provide over and above that contemplated in the original estimates.

The rapid improvement in the traffic of the opened lines convinced me that I had under-estimated the probable revenue, and I therefore recommended that an order for further rolling stock should be sent to England, to meet a much larger traffic than I had provided for. The amount of this order was about £100,000 for both islands.

The extremely high price to which the cost of iron advanced was also not anticipated: part of the rails have cost as much as £14 12s. 6d. a ton f.o.b., a price which no one could have expected.

Shipping charges in New Zealand have been very much heavier than was looked for, being more than from Europe, and in the case of heavy articles like locomotives it has often cost two or three times as much to convey them a few miles by sea as the whole freight from England.

Deducting these items of increased cost, the South Island railways will be built within the original estimates.

There have been, other than the above, very few unforeseen expenses for works in New Zealand. An account of each of them will be found in the detailed reports on the several lines. Their total cost amounts to £85,000, which in proportion to the total cost of the lines, viz. £3,903,581, is a small sum.

The average cost per mile of the whole of the South Island lines is £6,099. There are, on the 550 miles now opened or under construction, eleven miles of bridging, and 2 miles 34 chains of tunnel, which sufficiently shows that the country passed through is not an easy one.

NORTH ISLAND.

In the North Island the cost of lines authorized will be £2,188,400, against an appropriation of £2,096,000; the excess being £92,400, or 4·4 per cent. The total length is 350 miles 51 chains, and the average cost per mile £6,241.

The remarks above made in reference to the cost of works in the South Island apply equally to those in the North. There are 3 miles 63 chains of bridging, and 1 mile 8 chains of tunnels, included in the 260 miles now completed or in course of construction.

GENERAL.

Taking the two islands together, the average cost per mile is £6,149, of which permanent way, rolling stock, and stations absorb £3,037. There are 812 miles either opened or now under construction, on which are 14 miles 57 chains of bridging, and 3 miles 42 chains of tunnels.

Taking into account the above-mentioned causes which have added to the cost of the works, it is satisfactory to find that the total excess over the appropriations will be only £314,081 or 5½ per cent., for which sum more rolling stock and better station accommodation have been provided, iron used for the more important parts of the bridges instead of wood, heavier rails supplied for many of the more difficult parts of the lines, and a great deal of fencing made beyond that provided for in the estimates.

The price of labour has maintained its high rate throughout the year; ordinary labourers have received from 7s. 6d. to 10s., and artisans from 10s. to 15s. per diem.

OPENED LINES.

In the North Island, there are 78 miles open for public traffic, which are being worked by the General Government, with a financial result which is very encouraging.

The first section of the Wellington and Masterton Railway, which begins nearly a mile from the centre of the town of Wellington and runs only 8 miles, has paid 3·35 per cent. per annum on the average cost of all the lines. When opened to the Upper Hutt, which will be about the end of September, it will catch the traffic from the interior, most of which now goes by road, as it does not pay to load into the railway wagons for so short a distance as 8 miles.

The Napier and Waipukurau line is opened for 19 miles, and has paid 2·5 per cent. per annum on the average cost of New Zealand railways. The traffic will certainly much increase and be more profitable when the next section is opened.

The Onehunga branch of the Auckland and Mercer Railway has paid for the past year at the rate of 3¼ per cent. per annum on the average cost of New Zealand railways. Owing to its steep gradients this is an expensive line to work.

The main line to Mercer has just been opened, but sufficient time has not yet elapsed to show its earnings.