

The amounts referred to under "Land," "Preparation of sites," "Roading," "Drainage," &c., are for many more sections than those built on during current year.

The quantity of timber dealt with for the year by the big planer was 4,647,398 lineal feet. The quantity of timber used in cutting the 300 houses was 3,600,000 superficial feet.

The total costs to date are as follows :—

North Island houses—							£
Erection of houses	..	..	..	..	..	..	382,289
Preparation of sites	..	..	..	..	..	..	5,735
Roading of sites	..	..	..	..	..	..	8,419
Drainage and sewerage	..	..	..	..	..	..	14,861
Water-supply	..	..	..	..	..	..	2,638
Work on reserves	..	..	..	..	..	..	2,011
Land	..	..	..	..	..	..	68,652
Stocks of material held	..	..	..	..	..	..	30,245
							<u>£514,850</u>
South Island houses—							£
Erection of houses	..	..	..	..	..	..	9,401
Preparation of sites, roading, drainage, &c.	..	..	..	..	..	..	499
Land	..	..	..	..	..	..	1,596
Stocks of material on hand	..	..	..	..	..	..	778
							<u>12,274</u>
Grand total	..	..	..	..	..	..	<u>£527,124</u>

Since the inception of the scheme 477 houses have been built, at average costs as follows :—

—	Year 1920.	Year 1921.	Year 1922.	Year 1923.	Year 1924.	Year 1925.	Total.
Five-roomed houses—							
Number ..	1	56	95	19	42	252	465
Cost ..	£971	£950	£914	£831	£705	£674	£766
Six-roomed houses—							
Number ..	..	2	6	3	..	1	12
Cost ..	..	£1,297	£1,254	£1,213	..	£972	£1,227

Of these houses, those built in the years 1924 and 1925 are factory-cut, those built in the previous years being by contract.

The average additional cost to these figures to provide for land, drainage, roading, water-supply, &c., is £87.

The cost of the house-building factory, including machinery, provision of electric power, &c., is as follows: Machinery, £45,297; buildings, £33,653; land, £812; improvements, £715; sidings and yard, £7,283: total, £87,760.

A sum of £6,238 has been charged against the cost of houses for factory depreciation, leaving the capital value at present as £81,522.

Charges against the cost of houses to provide for interest and depreciation at the house-factory have been made at the following rates: For interest, 4 per cent.; for building depreciation, 2½ per cent.; for machinery depreciation, 5 per cent.

The present programme involves the construction of 1,500 houses, of which 477 have been built.

#### AUTOMATIC SIGNALLING.

During the year the installation of automatic signals was completed between Addington and Stillwater.

The system continues to give the utmost satisfaction, and in regard both to reliability and economy is fully justified.

This most modern system of train protection and signalling is now in operation on 134 miles of single line and 20¾ miles of double line.

The installation between Auckland and Penrose is approaching completion, and it is proposed to go on immediately with a further extension southward from Penrose.

In addition to providing for safety of train-movements, the most important factor in connection with automatic signalling is that it provides for the maximum use of the line continuously without the necessity for extra staff at stations to operate signals or tablet machines.

#### STORES.

The amount expended on stores during the year was £2,091,131.

Payments were divided as follows :—

	£
To merchants and manufacturers in New Zealand	1,697,410
In Great Britain and overseas British Dominions	365,547
To stores orders in railway workshops	28,174
	<u>£2,091,131</u>