

General increases of expenditure on the various classifications are inevitably due to increased age of lines, requiring extensive repairs or renewal of structure, and appliances of all kinds, and not the least is increase of cost due to the general rise in price of materials.

ADDITION TO CAPITAL COST OF THE RAILWAY.

Very considerable works of reconstruction have been carried out under special Acts of Parliament and Ministerial authority. These include the duplication of lines—from Auckland to Penrose, Wellington to Lower Hutt, Addington to Rolleston, and Dunedin to Mosgiel; also large deviations of line—from New Plymouth to Waiwakaiho River, Ormondville deviation and viaduct, Aramoho to Wanganui, Riverton deviation, and bridge over the Aparima Estuary. All these I have visited, and note that in the cases of duplications in Wellington and Dunedin there is practically a new double line of railway, replacing entirely the original single line, providing a far better alignment, curves of much greater radius and much easier gradients. In all of the duplications, except Christchurch, numerous public streets and road-level crossings have been superseded by bridges either under or over the railway. In all the stations yards and buildings have been reconstructed as was necessary to suit the new double lines of railway, and public accommodation at stations and access thereto have been greatly improved. In the cases of Auckland and Christchurch the alignment and grades have not been so greatly altered. All the works are necessarily of a very costly nature, and have further involved the acquisition of additional land, some of very expensive character.

The deviations named, and several others of great extent, have vastly improved the capacity of the railways. The value of these works in enabling increasing traffic to be dealt with more efficiently and economically, and with greater security, will doubtless be proved and realized more as time goes on. These charges necessarily add to the capital cost of the railways as a whole; besides which all new railway-construction in recent years must have become more costly per mile by reason of general increase in wages and price of materials, and generally more difficult nature of country traversed.

The result is given in the annual statement of cost of railways (see Return 15, 1912), which show—

—				Miles open.	Cost.	Cost per Mile of Railway.
1899	..	..	..	2,090	£ 16,404,076	£ 7,849
1912	..	..	..	2,801	30,506,089	10,864

APPLIANCE FOR ECONOMIZING WORK.

Among other improvements I notice with the greatest satisfaction that the Maintenance work depots are much better furnished with machine tools than formerly. This is a most important element economizing maintenance work. It enables the men at work on the line to be most expeditiously supplied with wrought materials. Delay in such supplies formerly added greatly to the cost of maintenance work of every kind.

OFFICE WORK AND MANAGEMENT.

With some exceptions the system, method, and practice established in the Maintenance Department appear to have been maintained, and have been found adaptable to the great expansion of the work.

LAND AND LEASING.

In the matter of land and leases the work in this Department has been greatly developed. Revision of the plans of the Railway lands has been all but completed, a most important and difficult work; also the registration of land titles has been greatly advanced. This work was only in an initial stage when I left, and has now been very nearly brought to completion.

The Land and Leases Department now undertakes the preparation of statutory Proclamations and negotiations of terms of compensation, and registers the details of completed transactions. The system of leasing of spare lands has been maintained as heretofore, but has very greatly extended, as the subjoined table-shows.

Leases granted in 1899 and 1913.

	1898-9.	1912 to 1st March, 1913.
Leases registered in the year	311	703
Leases current at end of year	1,497	4,337
Aggregate annual rental of same	£13,749	£32,505
Sidings granted in year	7	33
Siding agreements current at end of year	252	355
Aggregate annual rental of same	£4,162	£7,082
Agreements for working private railways entered into during year		5
Land Proclamations completed	3	36
Land Proclamations in hand (additional to above)		42
Compensation paid		£15,116