official estimate available before the country is committed to additional expenditure is the Public Works Engineer's estimate of the cost of construction. The Department which will ultimately take over and work the new railway is not consulted as to the route, grades, and alignment nor are the plans submitted to it before the new line is commenced. No estimate is obtained from the Railway Department as to the cost of building the additional rolling-stock required. No estimate is made of the annual cost in the shape of working-expenses, and no figures are prepared by the Railway Department as to the probable revenue from the proposed line, therefore no reliable calculation can be made as to whether the net revenue will represent a profit or a loss.

"I show below the form of statement which I suggest should be prepared in future before new lines are authorized. The statement is similar to that submitted to the Parliamentary Standing Committee on Railways in Victoria. The procedure in that State is worthy of consideration. Proposals for new lines are submitted to a Parliamentary Standing Committee of Railways, which obtains from the Engineer full reports as to the routes proposed, the Working Railways Department submitting estimates as to the probable traffic, working-expenses, and net revenue. The Committee, after consideration of the figures submitted, makes a recommendation to Parliament, that body finally determining whether the railways shall be built or not. The Railway Committee is constituted on non-party lines.

"The practice in New Zealand is to hand new railways over to the Working Railways Department entirely bare of rolling-stock, the expense for providing which has to come out of the annual grant of "Additions to open lines," which has often been inadequate for the purpose. This has contributed in no small degree to the shortage of rolling stock now prevailing.

"I believe I am correct in stating that there are over twenty new railways in course of construction at the present time, and I submit that this is not an economical method of procedure. It must be obvious that if the work of construction was concentrated upon, say, five of these railways, the cost of supervision would be lower and the speed at which the railways would be finished and become traffic-bearing and revenue-earning would be at least four times as rapid. Over twenty uncompleted and unremunerative railways are a serious handicap to a comparatively small undertaking. The Working Railways Department is vitally interested in economical construction, because the expenditure ultimately becomes a portion of the capital upon which interest has to be earned.

"*New Zealand Railways.—Report on Proposed Railway.*

From to
Length: miles. Ruling grade, 1 in Sharpest curve, chains radius.

Cost of Construction:—
(Estimate submitted by Public Works Department.)
The Chief Engineer for Railway-construction estimates the cost of construction at £ per mile, or a total of .. .. .. £

The Chief Mechanical Engineer estimates the cost of construction of rolling-stock at .. .. £

Total cost of construction of line and of rolling-stock .. £

(Estimate submitted by General Manager of Railways.)
Annual Cost:—
Interest on capital expended at 4 per cent. .. .. £

Working-expenses:—
Locomotive .. .. £
Traffic .. .. £
Permanent-way .. .. £
General .. .. £
Total working-expenses .. .. £

Total annual cost .. .. £

Estimated Revenue from Proposed Line:—
Passengers .. .. £
Goods (other than minerals) .. .. £
Live-stock .. .. £
Minerals .. .. £
All other traffic .. .. £

Total revenue from proposed line .. .. .. £

The revenue from carriage over existing railways of new traffic due to construction of proposed line, less for working-expenses, is estimated at .. .. .. £

Total revenue .. .. £
Profit [*or* loss] on proposed line .. .. .. £