

In December last flood-damage occurred in various parts of the Invercargill section, particularly in the Waipahi district, but on most of the lines there was an unusual freedom from damage through slips and floods.

In the Auckland District considerable expenditure is being incurred in draining a slip and building a stone retaining-wall to replace a timbered opening at the north end of Parnell Tunnel. This is a work of some magnitude, and is being spread over two or three years. The excavated material, together with a quantity purchased, has been used for reclaiming upwards of 2 acres of the department's land in Mechanics' Bay.

*Bridges.*—These have been maintained in safe order. A large part of the year's expenditure for bridge-work was due to strengthening structures for carrying heavier loads, which in the ordinary course should be a charge to capital account, but so far has been debited to working-expenses. A sum of £13,000 was spent for this purpose, and charged to ordinary maintenance.

The following are the principal works of bridge-repairs and reconstruction which have been carried out during the year:—

Auckland District: Bridge No. 66, near Frankton, filled in, and several small bridges entirely renewed in ironbark.

Wanganui District: The reconstruction of the bridge over the Rangitikei River was completed and opened for both road and railway traffic. Bridge-strengthening in this district has been so far advanced as to allow the running of heavier classes of engines north to Hawera.

Wellington-Napier District: The reconstruction of the Piri Piri Viaduct is fairly well forward. The concrete piers and abutments have been for some time completed, and the preparation of the necessary ironwork by the contractors is in hand.

The two new bridges at the Waitangi wash-out were completed, and trains are now running over the reconstructed line.

A large number of bridges have been strengthened to enable heavier engines to run, but some time must elapse before all the structures will be fit for the heaviest class of locomotives now in use in some parts of the district.

Christchurch District: The reconstruction of the Ashburton, Waihao, and a large number of smaller bridges has been completed.

Dunedin District: The principal work executed during the year was the strengthening of the Waitaki and Clutha bridges, and rebuilding the Waiareka Creek bridge.

Invercargill District: A total of eleven bridges were rebuilt to the standard.

*General.*—Ordinary repairs have been carried out as necessary on the smaller structures in all districts.

*Water-services.*—Additions to these services were made where most urgently needed. Further demands are being constantly received for extensions, and other services will have to be increased during the current year.

*Signals.*—The former signal-engineer, Mr. Johnson, retired from the service in December last. As his successor, Mr. Wynne, had not an opportunity of making himself fully conversant with the work of the year, I have not called upon him for a report.

Much delay has occurred from the want of materials, and we have been unable to make good progress with the erection of signals at officered stations on this account. The interlocking, to which but little has yet been done, will I hope be placed on a more satisfactory footing, and be pushed on faster during the present year.

*Wharves.*—With the exception of the reconstruction of the Nelson Wharf, which has been in hand during the year, no works of importance were carried out.

*Buildings.*—The Aramoho and Clinton Station-buildings were burned down; the former has been rebuilt and the latter is in hand.

Ordinary repairs have been effected where necessary.

*Miscellaneous Improvements.*—The principal works done during the financial year and charged to working-expenses were as follows:—Erection of turntable, Cambridge; picket-fencing at Thames and Shortland; alterations to signals and siding extension, Palmerston North; extension of platform, Patea; approaches to Rangitikei Bridge; additions to District Offices, Wellington; improving lighting of Christchurch Station and yard, and Dunedin goods-yard; beach-protection at Timaru; road-approach, Dunedin goods-yard; platform and siding, Wingatui Racecourse; siding extension, Fairdown; floodgates, Blenheim; ten velocipedes for Wellington District; fourteen portable huts for Wellington and Dunedin Districts; other works include additions and improvements to a large number of dwellings; additions and improvements to several station-buildings, platforms, roads water-services, stockyards, drains; and siding extensions. The total cost of works charged under this head is £5,069.

*Additions to Open Lines.*—The principal works in hand were as follows:—

Helensville—Crane on wharf. Mercer—New house. Tirohia—Platform. Frankton—Road; coal and water-service. Ngaruawahia—Verandah. Waihou—Goods-shed and loading-bank. Te Kumi—Stockyards. Waikumete—Goods-shed. Newmarket—Extension traverser-pit. Pukehohe—Improvements goods-shed. Kirikiri Creek, Thames Branch—Flood-openings. Auckland—Reclamation Mechanics' Bay. Mount Smart Ballast-pit, Drury, Paeroa—Improvements to water-services. Te Aroha, Mamaku, Tuakau—Improved station-accommodation. Te Aroha Bridge—Interlocking. Morningside—Lowering grade. Palmerston North—Drainage; new crane. Aramoho—New station and buildings (part); stockyard. Patea, New Plymouth—Signals. Wanganui, Waitotara, Feilding—Increased station-accommodation. Turakina, Marton, Kai Iwi—Water-service improvements. Hawera—Siding extension and stockyards. Ball Road—Goods-shed. Halcombe—Ladies' waiting-room, &c., and fencing station-yard. Midhurst—Station road. Wellington—Station improvements and interlocking; drainage stationmaster's house. Petone—Additions to workshops. Kaitoke, Summit—Clearing slopes of rocks. Upper Hutt—Verandah; water-service improvements. Masterton—Signals. Tutaekara, Farndon, Mangatera, Waipawa—Im-