At Westport the work of demolishing the staiths is being continued.

Buildings.—Very extensive repairs and renewals have been effected to station buildings and to dwellings, and a number of new dwellings built.

Among the more important works carried out are: Auckland-New engine-shed, well advanced; Newmarket-new car and wagon shops, well advanced; renewals and additions workshops completed; Linwood (Christchurch)—new engine shed and depot completed; East Town—tarpaulin shop rebuilt; Napier—additions to workshops and engine-sheds.

Stations.—Considerable additions have been made to the siding accommodation at stations, and a number of stations have been rearranged completely. Among the latter are Swanson, Ngaruawahia, Horotiu, and Waipahi. The arrangement of the following stations is in hand: Ohakune, Johnsonville, Te Roti, and Ashburton.

Defence Department .- During the year branch lines to the military camps at Trentham and Featherston were constructed, and sidings laid to serve the military camp at Rangiotu. A large quantity of gravel was also supplied for the Trentham and Featherston camp-sites.

Railway Improvements.—Auckland Station: The reclamation of land at St. George's Bay is well in hand. The new engine-shed is in an advanced state, and extensive sidings—part of

the complete scheme—have been laid.

Parnell tunnel duplication: This work was completed early in the year.

Auckland-Mercer grade easements: This work is well advanced, and the work has been practically completed from Runciman (23 miles) to Mercer. The alteration of the gradients between Otahuhu and Runciman is in hand. Expenditure on these works during the year was £28,183.

Feilding-Marton grade easements: The Kakariki deviation is practically completed. Expen-

diture on the work during the year amounted to £9,106.

Additions to Open Lines.—£69,616 was spent on these works and charged to Capital Account, the principal items being the following: Signalling, interlocking, block-working, &c.; additions to station buildings, yards, and sidings at Avondale, Auckland, Ngaruawahia (part), Waipahi, Johnsonville (part), Frankton Junction, Waipara, Arahura, Trentham, New Lynn (part), Woodlands, Fordell, Wanganui, Timaru, Lambton, Tahekeroa, Henderson, Tahakopa, Waianakarua, Swanson (part), Waikumote (part), Silverstream, Mangaroa, Ashburton (part), Featherston (part) Swanson (part), Waikumete (part), Silverstream, Mangaroa, Ashburton (part), Featherston (part), Ohakune (part), Makikihi, Dunsandel (part), Hinds (part), Dromore (part), Windermere, Ikamatua, Morrinsville, Matamata, Otorohanga, Lyttelton, One Tree Point (part); additions to water-services—Te Kuiti, Mercer, Kohatu and Belgrove (part), Marton (part), Huiroa, Palmerston North (part), Hinds (part); new houses—Springfield, Ohakune, Penrose, Mokoia, Awatoto, Whakatu, Tariki, Taihape, Heriot, Paremata, Taumarunui, Mangaroa, Khandallah, Pukekohe (part), katu, Tariki, Taihape, Heriot, Paremata, Taumarunui, Mangaroa, Khandalian, Pukekone (part), Waimiha, Greytown, Frankton Junction, Clinton, Otane; purchase of land—Takanini, Mangaroa, East Town, Christchurch, Otane, Wiri, Mill Road; removing house, East Town; goodsshed, Te Mawhai; goods-shed additions, Hamilton; good-shed over discharging-road, Wanganui; extensions to verandas—Greymouth, Arthur's Pass; veranda, Waipahi (part); extension of platforms—Balclutha, Green Lane; wagon-repair shed, Frankton Junction; office for Locomotive Engineer, Greymouth; engine-depot, Linwood; additions to workshops-Newmarket, Napier, Invercargill; electric-light installation, Sawyer's Bay; slipway, Lake Wakatipu; widening Mangere Bridge over railway at Onehunga Wharf; overbridge, Penrose; engine-shed addition, Napier; alterations to locomotive depot, Thorndon; tunnel duplication at Auckland (Parnell) (part); cranes, Otorohanga, Cambridge; approach road, Waipawa; widening George Street pier, Port Chalmers; extension of sidings on Holmes Wharf, Oamaru; flood-protection, Otautau; fencing, Napier to Farndon; dredging and breastwork, Helensville Wharf (part); deviation and duplication, Ravensbourne (part); drainage, Waimate (part); facilities for gassing dining-cars, Frankton Junction; barriers on platform, Ellerslie Raeecourse (part); turntable tractor, Thorndon; shunting-line, Southdown-Westfield (part); cab-portico, Invercargill; stockyard improvements, Taihape; portable huts-Ngahere, Dunollie, Runanga, Wanganui District; widening ramp approach to station, Ellerslie; alterations to telegraph gallery, Wellington; dining car kitchen, Polymouter North dining-car kitchen, Palmerston North.

Miscellaneous Works.—Additions and improvements were carried out during the year amounting to £6,030, which was charged to working-expenses. The principal works were: Additions and improvements, Walton (part), Levin; siding alterations and additions, Lambton; alterations to house, Ohakune; hot-water services at houses, Ohakune; shifting houses, Carterton, Waipawa, Mangamahoe; house, Waikari; additions to stockyards, Remuera, Kurow; goods-shed additions, Dunedin; lighting stations, &c., Taihape (part), Frankton Junction (part), Lambton, Thorndon, Dunedin, Invercargill; loading-accommodation Opahi; lighting workshops, Penrose, Hillside; rifle ranges, Christchurch, Dunedin; stores for equipment of Railway Battalions, Wellington, Christchurch, Dunedin; orderly-room, Invercargill; alterations to workshops, East Town; engineturntable, Otira; doorways in wharf-shed, Wanganui; overhead traveller, Upper Hutt; conver-

sion of hopper wagons to ballast wagons, Auckland District.

Expenditure.—The expenditure for the year was as follows:-Maintenance, charged to working-expenses 740,349 New works, charged to capital 209,370 Other Government Departments, public bodies, and private parties... 50,366 Total expenditure ... £1,000,085

The maintenance expenditure amounted to £251 per mile, as compared with £254 per mile during 1914-15 and £267 per mile the previous year, or a difference of £3 and £16 per mile respectively. As a sum of £23,517, or nearly £8 per mile, was debited to maintenance for