

increase is at the rate of 5 per cent. per annum. On present costs the saving in working should amount to £40,000 per annum. For the ensuing six years the figures on same basis will be as follows :—

	1924.	1925.	1926.	1927.	1928.	1929.	1930.
Gross daily tonnage ..	8,190	8,600	9,030	9,480	9,955	10,450	10,975
Annual saving ..	40,000	42,000	44,100	46,300	48,620	51,050	53,600
Interest on cost	5.12	5.37	5.64

Therefore work should, after paying interest, show a profit immediately on completion.

It will be seen that the construction of the new yard and outlet is economically sound ; but, quite apart from this, improved access out of Wellington is an absolute necessity. The present facilities have reached their limit, and the users of the railways are penalized by the impossibility of improving the communication under present conditions.

PELICHET BAY DEVIATION, DUNEDIN.

This work includes the deviation and doubling of the line between Dunedin and Ravensbourne. By agreement dated 18th September, 1912, between the Minister of Railways and the Otago Harbour Board, the Department agreed, *inter alia*, to divert the railway to its new alignment on completion of the necessary sea-walls, reclamation, &c. The necessary formation work is now within a month or two of completion, and the deviation must therefore go on in the near future. The cost, inclusive of overhead road-bridge between Hanover and Frederick Streets, is £40,000.

ELMER LANE LOCOMOTIVE-DEPOT AND GREYMOUTH YARD.

The workshops and running-shed accommodation at Greymouth is very cramped and primitive, and to give room for the rearrangement and extension of Greymouth goods-yard it is necessary to remove the depot to another site at Elmer Lane. The cost of the work may be put at £40,000. When the locomotive-depot is shifted it will be possible to rearrange the Greymouth yard and give the needed accommodation. At the present time there is no room left for any extension whatever. The cost of rearrangement of yard will be £25,000.

ELECTRIC LIGHTING.

An amount of £75,000 is included in schedule to make provision for the electric lighting of station-buildings, houses, &c., in all parts of the Dominion. The expenditure will be distributed over all parts of the Dominion to enable the work to be carried out economically, the more important places being done first.

LYTTELTON-CHRISTCHURCH AND MARSHALLING-YARD.

Various designs were prepared in connection with the working facilities between Addington and Lyttelton : (1) Rearrangement to deal with all marshalling at Christchurch, and rearrangement of Lyttelton ; (2) rearrangement to deal with passenger and local goods at Christchurch, marshalling at Addington, and rearrangement of Lyttelton ; (3) rearrangement to deal with passengers at Christchurch, marshalling and local goods at Addington, and rearrangement of Lyttelton. These proposals are all costly, and do not, in my opinion, meet the requirements. An analysis of the traffic shows that if the marshalling-yard were placed between Christchurch and Lyttelton over 80 per cent. of the goods traffic would be dealt with there without any overrunning. The balance would have the extra shunt from Christchurch, but on a separate goods-line. By placing marshalling-yard at Woolston a very large saving in capital cost can be made, and also a very large saving in working-expenses. The estimate of one of original proposals may be put at £720,000. The estimate of proposal for marshalling-yard at Woolston with a rearrangement to suit at Lyttelton, and a rearrangement of Christchurch to give full accommodation for passengers and local goods, is under £250,000. The graphs show that the increase of traffic expected in 1915 has not kept up, and it may be said that with the construction of the new inward shed and siding additions reasonable demands have been met. The large expenditure involved in the rearrangement of Lyttelton and Christchurch stations in the 1914 programme does not appear justified at the present time. If the traffic increases sufficiently to justify it the duplication of the Lyttelton Tunnel can be gone on with at a future date. At present there appears to be no justification in sight for the expenditure.

TAIHAPE STATION.

An amount of £3,000 has been included to improve passenger facilities, lengthening platform, &c.

HIKURANGI STATION.

The layout of this station is inconvenient and dangerous, the station building being on the wrong side of the line. A design for rearrangement has been prepared. Cost will amount to £8,500.

NEW PLYMOUTH WORKS.

The New Plymouth Harbour Board proposes to seek authority to raise a loan of £600,000 for the construction of wharves at Moturoa. The new wharves will be equipped with sheds, and business now dealt with at the railway-sheds, New Plymouth, will then be dealt with at Moturoa. The construction period will extend over six years. In the meantime, to cover this period, with its growing traffic, additional accommodation at New Plymouth will be required, principally goods-shed widening and sidings. The amount of £10,000 is to cover this. The accommodation at present is inadequate.