This rate of relaying should be maintained at least till all main lines are in 70 lb. and all important branches in 53 lb. or 56 lb.

Sleepers.—During the year 256,647 sleepers were put in the track. Resleepering of main lines to present standard is being pushed on.

Slips and Floods. - In the Auckland and Gisborne districts considerable damage was caused by heavy floods.

Considerable expense was incurred in the removal of slips and the reinstatement of slipped embankments on the line north of Helensville.

An urgently necessary deviation has been put in hand near Poolburn on the Otago Central Branch. Ballasting. -- 366,242 cubic yards of ballast were used on the track during the year.

The crushing plants at Mosgiel and Te Kuiti have been fully employed for railway purposes, and the plant at Mount Egmont mainly for local bodies.

Bridges, &c.—Bridge structures have been maintained in safe condition. The Mangatewainui new steel viaduct (Napier district) is in hand.

Contracts have been let for the supply of steel girders for replacing the Tongahoe Viaduct (Wanganui district) and two bridges (Nelson Section). Renewals and strengthening have been in hand. The use of rolled steel joists is being extended.

Wharres .- Picton: Earthwork for new wharf is nearly completed; construction of wharf in hand. Nelson: Extension of breastwork completed, and extension of main wharf now starting. Port Chalmers: Removal of central filling has been completed.

Buildings .-- Improvements have been made at Frankton, Taumarunui, Taihape, and many other places. Several station buildings have been rebuilt, and a number of cottages erected.

Miscellaneous Works. -- Additions and improvements were carried out during the year amounting to £6.093, which was charged to working-expenses. The principal works were: Additions and improvements at Te Papapa. Kirwee. and Levin (part): additions to water-services at Ormond, Lambton. and Addington; turntables. New Plymouth and Greymouth: erection of cranes at Ohakune, Waipukurau, and Clinton: new houses at Pukekohe and Waipahi: verandahs at Mount Eden and Runanga; additions to houses at Plimmerton and Weka Pass; test-weights for weighbridges, Westport; enlarging goods-shed. Waitoa: fire-prevention appliances in goods-sheds at Christchurch and Oamaru: removal of buildings, Waihoa Downs; removal of Workshop Foreman's office, Addington; removal of houses, &c., from Waiau Ferry to Hanmer; engine-shed, Rangiora; stock-yards, Gisborne; bookstall and ladies' waiting-room, Taumarunui; electric lighting, Invercargill workshops; placing electric wire under Bowen Street Pier, Port Chalmers: oil-store, Gisborne; shelter-shed, Heretaunga; extension of platform. Runanga: conveniences for social hall, Palmerston; improvement to coaling arrangements, Timaru; connecting w.c.s with main sewer, Christchurch; weighbridge, Gisborne; raising parapet, Tunnel No. 8. Midland Railway.

Additions to Open Lines.-The principal works carried out during the year were as follows:-

Signalling, interlocking, block-working, &c. Additions to station buildings, station-yards, and sidings: Auckland, Frankton Junction, Taumarunui, Ohakune, Taihape, Marton (completion), Wanganui Wharf, Levin. Paekakariki, Wellington wharves, Riccarton. Pareora, Milton (completion), Edendale. Morton Mains.

Miscellaneous: Additions to water-services-Mercer (completion), Puketutu, Waiouru (completion), Marton (completion), and Palmerston North; engine turntables. Auckland Section (completion) and Clinton; extension of verandah Auckland; verandah, Avondale; planked footway, Ohinemuri Bridge; strengthening Hamilton Bridge (completion); fencing line, Auckland district; installation of acetylene gas, Ohakune; overbridge, Taihape; improving crossing, Vinegar Hill, North Island Main Trunk Railway; extension of subway, Marton; governors for crushing plant, Mount Egmont; removing stockyards, Hastings to Longlands; additional platform accommodation, Thorndon; electric lighting, Thorndon; laying on gas to car-sidings. Thorndon; purchase of land, Hastings and Thorndon; reclamation, Wellington and Bluff; flag-station between Springston and Ellesmere; extension of pattern-shop, Addington: footbridge, Dunedin: sanitary conveniences, Hillside workshops; wharfextension, Nelson; new wharf, Picton; purchase of steam navvy from Public Works Department.

The cost of these works, charged to capital, amounts to £84,195.

Doubling and Improvement of Lines .- Auckland-Penrose: This work is completed. Alterations to Auckland passenger-yard and station necessitated by the opening of the double line have been carried

Hutt Road and Railway Improvement: The double line is now in use between Lower Hutt and Kaiwarra. Construction of road is well advanced, and it is expected the whole work will be completed during the coming financial year.

Addington-Rolleston: The second track has been opened for traffic.

Dunedin-Mosgiel: The Caversham Tunnel having been completed, the new line between Dunedin and Cattle-yards has been opened for traffic for single-line working, fast as funds will permit. The Chain Hills Tunnel is being started. The work is being pushed on as

Expenditure. -- The charges for maintenance amounted to £620,008, or £229 per mile.

Mileage.—Total mileage open for traffic on 31st March was 2.716 miles 62 chains, an increase of 35 miles 23 chains for the year.

Private Sidings.—Seventeen new rights were granted. Total number on 31st March, 327, with an aggregate annual rental of £5,907.

Leases .-- Five hundred and twenty-four new leases were registered during the year. The total number at 31st March was 3,397, with an aggregate annual rental of £23,560.

Staff.—Maintenance working staff, 4,005 men; office staff, 124: total, 4,129.