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Station-yards.—Increased siding and station accommodation has been provided at a number of stations.

Railway Improvements.—The expenditure under the Railways Improvement Authorization Account for the last year was £857,164, as against £920,009 for the previous year. This amount does not include the expenditure under this account on the Auckland-Westfield, Palmerston North, and Tawa Flat Deviations and Hutt Valley Railway, carried out by the Public Works Department, which amounted to £487,714; Signal Branch charges, £222,560; and Locomotive Branch charges, £456,054.

Auckland New Yard.—Good progress has been made during the year with the rearrangement of Auckland yard. The new Outwards Goods-shed was completed and opened for use. A new motor weighbridge was erected, also two underslung jib traversing cranes and new platform scales. New shunters' quarters were completed and brought into use. A new office was built for the Locomotive Foreman. The new outward marshalling-sidings were completed, and the new intermediate car-sidings west of the new platform brought into use. The lease of a block of Harbour Board land on the eastern side of Quay Street was acquired, and was laid out and used for temporary Inward Goods-shed and Goods-yard. The old B Goods-shed was dismantled, and re-erected on the Harbour Board land for temporary use. The old wharf exchange group of sidings was lifted, and wharf approach sidings

rearranged, including alterations to the lay-out of private sidings crossing Quay Street.

Auckland New Station Building.—Good progress has been made with the contract, and it is anticipated that the work will be completed close to the allotted time. Foundation piles to the number of 1,260 have been driven under the main building, and the steel structure is practically finished. Some delay has been occasioned by the stonemasons employed on the preparation of building-stone refusing to operate certain machinery and consequently being paid off. Subsidiary work, such as subways, station verandas, and retaining-walls are well in hand.

Wellington New Yard.—In connection with Wellington new station-yard considerable progress has been made in the filling for the new yard. Dredging had to be suspended to permit of the construction of large storm-water sewers. The interruption of dredging will have no effect on the general progress. One storm-water sewer has been completed and the other is well forward.

A permanent site with sidings has been prepared for the new goods-shed, and the plans of the shed are completed. A number of permanent local loading-sidings and adjoining cartways have been laid

Considerable improvement in the handling of goods-trains has been effected by the provision of a temporary junction at Thorndon and a large holding-grid on the site of the old Esplanade.

The plans of the new station building are well advanced, and will be ready for the commencement of building operations when the site is available. The clearing of the site is contingent upon the completion of the new goods-shed.

Hutt Valley Railway.—An extension of the industrial line to serve the industrial area is in hand,

private sidings have been provided to suit industries established in this area.

General.—The duplication of the track between Frankton and Horotiu is in hand. Platelaying has been completed and earthwork is nearly completed. Ballasting is in progress.

A crossing-loop has been laid at Kimihia, and the laying of one between Mercer and Whangamarino

Temporary work in connection with the new bridge at Ngaruawahia has been commenced.

The replacing of level crossings at Piripiri and Tumai by overbridges, and at Hawera by subway, was completed.

Bridge-strengthening has been carried out in various districts. A programme has been drawn up for extensive strengthening and reconstruction of bridges to enable more powerful engines to be operated on heavy-traffic lines.

The Ravensbourne-Burke's duplication is proceeding steadily. Considerable work has been done

in connection with the reclamation and sea-wall.

New Workshops.—North Island shops: The Car and Wagon Shops at Otahuhu and the Locomotive Shops at Hutt Valley are completely erected and equipped and are now in operation. Water and drainage reticulations are complete, as well as roadways and siding layouts, with the exception of a small amount of ballasting at Hutt Valley.

At Hutt Valley a repair-shed and shelter for buses are being provided and will shortly be completed. South Island shops: The reorganization of the South Island shops provides for Car and Wagon Shops at Addington and Locomotive Shops at Hillside. The rebuilding and reorganization of both shops has been carried on concurrently, and the work is now nearing completion. Most of the main buildings, including water and drainage reticulations, are practically completed.

At Addington all main buildings are completed with the exception of the Steel Wagon Shop and es. The Steel Wagon Shop is now under construction. The erection of the Stores building, Stores. The Steel Wagon Shop is now under construction. The erection of the Stores building, painting-sheds, dining-room, &c., will be started at an early date, as well as the construction of road-

ways and rearrangement of sidings.

At Hillside all main buildings are practically completed except the Pattern Shop and Stores, and

the erection of these buildings will be started at an early date.

The Power-house, Reclaim Depot, Locomotive Erecting and Boiler Shops, and Steel Wagon Shops are in operation, and machinery installations are in hand in the Machine Shops and Foundry.

The following R.I.A. works are being carried out by the Public Works Department: Auckland-Westfield Deviation .- The formation throughout the deviation is practically completed, and the platelaying and ballasting of the permanent double track is now in hand. The railway-bridges are nearing completion, and road traffic has been turned over all the road-crossings which are provided with overbridges or subways. Good progress has been made with the erection of the six station buildings and platforms, and work in connection with the station-yards is in hand. Expenditure for the year, £89,386.