Special work had to be undertaken to overcome the effect of slips and flooding in the Manawatu Gorge, on the Stratford-Okahukura line, on the Napier-Wairoa line, the Foxton and Wairarapa lines, and at various points on the Main Trunk Railway in the North Island. In the South Island, flood conditions caused damage on the Picton and Nelson Sections, and on the Canterbury, Westland. Dunedin, and Invercargill portions of the South Island Main Trunk line. Several snowstorms in the South during July were particularly severe and caused considerable interference with traffic.

A total of $54\frac{1}{2}$ miles was relaid in new rails and 344,242 new sleepers were used in connection with track maintenance.

Several new bridges were completed, including those at Waipawa in the North Island and at Rakaia and South Rangitata in the South Island. Bridges nearing completion are those over the Rangitikei (North Island) and at Waiau and Wairau (South Island).

During the current financial year work is being undertaken on the Opawa Bridge (north of Blenheim), the Waitaki Bridge, and Clutha Bridge (Dunedin district).

The year has seen further progress in the elimination of level crossings by overbridges, by subways, and by deviations.

NORTH OF AUCKLAND.

An important development north of Auckland, affecting the whole of the North Island railway system, was the linking-up of the rails to connect the Dargaville (Kaihu) Section with the North Island system. Thus I was able to arrange, from the 13th May, 1940, for bulk goods traffic (carried in four-wheeled goods-wagons), such as coal, fertilizers, live-stock, and timber, to be accepted for transport between stations on the Dargaville Section and the rest of the North Island Main Line and Branches.

The line between Tangowahine and Dargaville, a distance of 10 miles, had been well advanced prior to, but was suspended during the depression, and its completion, which will bring the whole of the area centering on Dargaville into the main stream of Dominion railway traffic, is an important development in the national transport field. I anticipate further accretions of passenger traffic by railway, between the rest of New Zealand and the interesting portion of the northern peninsula radiating from Dargaville, when the new line has been completed, and all classes of traffic, including passengers, can be carried by rail over the connecting link between Tangowahine and the Dargaville branch.

Good progress had been made in main-line grade easements and deviation between Newmarket and Waitakere, and this will further facilitate the working of traffic north of Auckland.

NORTH ISLAND MAIN TRUNK LINE.

Duplication work between Tawa Flat and Porirua, between Plimmerton and Paekakariki, and between Levin and Koputaroa has been in progress, and now the whole of the distance between Plimmerton and Paekakariki has been duplicated, with the exception of the tunnel section of $1\frac{3}{4}$ miles.

The scheme of duplication and grade easement also provided for the rearrangement of the Plimmerton and Pukerua Bay and Paekakariki Station yards and for the erection of modern station buildings at Plimmerton and Pukerua Bay to provide up-to-date facilities for the anticipated increase in passenger traffic consequent on the development of the locality in connection with the inauguration of electric traction between Wellington and Paekakariki. The new station at Plimmerton was completed during the year and the old station was dismantled. The platform fronts at Pukerua Bay were completed, and the erection of the new station is in progress.

Three miles of the deviation at Palmerston North have been completed.

Steady progress has also been recorded on the Papakura-Horotiu deviation.