At Waitaki two new 15,000 kW. generating-units have been installed, bringing the total capacity of the station to 60,000 kW.

At Lake Tekapo construction has been started on regulating-works which involve the construction of a 20-ft.-diamater concrete-lined pressure-tunnel 6,000 ft. long, and a dam at the outlet of Lake Tekapo. These regulating-works will perform a similar function in controlling the water to Waitaki power-station as the Lake Taupo regulating-works for stations on the Waikato River. In addition to the regulating-works, there is a fall of 100 ft. which will be used subsequently to operate a generating unit of 21,600 kW. capacity at the outlet of the tunnel.

With the exception of Tekapo, tenders for which have not yet been called, the manufacture of the generating-units for these stations is well advanced, and it is hoped that deliveries will be made in due sequence, notwithstanding the prevailing difficulty of shipping during the war period.

RAILWAY-CONSTRUCTION.

Railway-construction is being confined to those railways which at the outbreak of war had reached an advanced stage towards completion, and it is expected that the Dargaville Branch Railway, the Gisborne–Napier Railway, and the Westport– Inangahua Railway can be substantially completed within the current financial year. The position in regard to the works in progress is as follows :---

Dargaville Branch Railway.--The main line is completed and the Public Works Department is operating a useful goods and passenger service.

The formation and platelaying of the station-yards are completed, and a contract for the construction of the station buildings is being arranged.

Gisborne-Napier Railway.—The whole of the formation and tunnelling work is now completed, and the bridges are all completed except for two large reinforcedconcrete viaducts over the Waiau River which are now in an advanced state of completion.

Platelaying and ballasting have progressed considerably during the year, and at the end of March the gap between railheads was reduced to $6\frac{1}{4}$ miles. All the material for the completion of the line is on hand.

Turakina-Okoia Railway Deviation (Wellington - New Plymouth Railway).— The formation and tunnels were completed during the year, and the piers and abutments of the bridges over the Turakina and Wangaehu Rivers are completed in readiness for placing the steel girders. Plans and specifications have been prepared for the station buildings at Wangaehu and Turakina.

South Island Main Trunk Railway.—The construction of this railway has proceeded favourably during the year, and the bulk of the formation, tunnelling, and bridge work is completed. The major work remaining to be done is the laying and ballasting of 40 miles of permanent-way, extensive lengths of coastalprotection work, protection of bridge approaches, and the construction of station buildings.

The position in regard to the supply of rails is still obscure on account of the difficulty of obtaining delivery during the war period, but it is hoped that this difficulty may be overcome in the near future.

Westport-Inangahua Railway.—The formation and bridging work is now completed, and the work remaining to be done is 5 miles 20 chains of platelaying and the completion of 20 miles of ballasting, of which approximately 13 miles has had one lift.

Some small station buildings are required, and these buildings are in hand.

All the material for the completion of the work is on hand.