

The permanent line has now been located about 5 miles north of Kaiwaka, or to 86 m., including the branch into the Pukekaroro Quarry, about three-quarters of a mile in length.

Beyond 86 m. a trial line has been run, passing about a mile to the east of Maungaturoto, at 91 m., and on to 97 m., or nearly to McCarroll's Gap. A fairly good line can be obtained this way, and it is central, going fairly well up the middle of the country.

GISBORNE—ROTORUA.

Waikohu Section (17 m. 70 ch. to 23 m. 50 ch.; length, 5 miles 60 chains).—From Karaka Station (17 m. 70 ch.) to Puha Station, at 19 m. 65 ch., part of this section, was handed over to the New Zealand Railways Department and opened for traffic on the 20th May, 1907. Another part, from Puha Station, at 19 m. 65 ch., to the east side of the Waikohu Bridge, at 23 m. 14 ch., has been completed during the year, and opened for traffic on the 28th May, 1908. A contract has been let for the bridge over the Waikohu River, which should be completed in September next; and then the section, which terminates just beyond the Waikohu Station, at 23 m. 50 ch., can be completed.

Waihuka Section (23 m. 50 ch. to 31 m. 70 ch.).—The first part of this section, 4 miles in length, is located, and the formation is in hand. Good progress is being made, and, as the work is light, it will soon be ready for platelaying. The first two bridges near Waikohu Station have been let by contract.

Further location survey-work is in progress, and the position of the line has been decided on up to the Rakaurua Saddle, at 41 m., on the trial plans. As soon as this location is completed further exploration and trial surveys can be continued beyond Motu westwards.

NORTH ISLAND MAIN TRUNK.

North End.

Taumarunui Station, 174 miles from Auckland, opened on the 1st December, 1903, still continues to be the end of the Railway Department's opened line at the north end.

South of that, construction-work has been in hand as far as Horopito Station, another 44 miles. Of this, the section, 24½ miles in length, from Taumarunui to Raurimu was practically finished, rails laid and ballasted, and goods carried by us over it, since November, 1906. Last year the very heavy earthworks on the Spiral, just south of Raurimu, were in hand and stopped much progress. However, by September, 1907, they were far enough advanced to be able to resume platelaying, and the rails were then laid, and reached Waimarino Station, another 7 miles southwards, in December last. Further formation being completed on ahead, platelaying was resumed in February, and continued to Makatote, another 7 miles, by the end of March. Here the Makatote Viaduct, which was then some nine months behind contract time, delayed platelaying until the beginning of July last; since which time the rails have been laid on to Horopito over this and the other viaducts, finally joining up with the south end on the 3rd August on the Manganui-o-te-ao Viaduct. There are still a good many buildings, chiefly residences, to erect; some fencing to do; the ballasting of the last 6 miles, finishing of Mananui and Kakahi station-yards and other minor works, which may take another six months to finally complete; but in another month or so trains will be able to run over the whole line.

The work above includes the following sections:—

| | | | M. ch. | M. ch. | M. ch. |
|---------------------------|----|----|------------------|-----------------|--------|
| Taumarunui Section | .. | .. | Northern mileage | 76 55 to 83 23 | = 6 48 |
| Whakapapa Section | .. | .. | Southern | 129 0 ,, 119 0 | = 10 0 |
| Owhango Section | .. | .. | ,, | 119 0 ,, 111 0 | = 8 0 |
| Makaretu Section | .. | .. | ,, | 111 0 ,, 103 60 | = 7 20 |
| Waimarino Section | .. | .. | ,, | 103 60 ,, 96 0 | = 7 60 |
| Central Waimarino Section | .. | .. | ,, | 96 0 ,, 91 50 | = 4 30 |
| | | | | | 43 78 |

Makatote Viaduct.—The contractors' (Messrs. J. and A. Anderson) tender was accepted on the 15th June, 1905, and two years were stipulated to complete the contract in. Owing to the difficulties met with in the foundations, bad weather, floods in the creek and damage to plant, shortage of cement during 1907 summer months, want of sufficient suitable men, and other causes, it is not yet quite complete, but should be finished within two months.

Manganui-o-te-ao and Mangaturuturu Viaducts have also received their superstructures from the same firm, and, like the Makatote, somewhat later than contract date required, caused chiefly through shortage of suitable workmen.

Kakahi Sawmill.—The Department's sawmill at Kakahi has continued to work satisfactorily, and has supplied a very large quantity of timber for sleepers, bridges, buildings, and other purposes, cutting about 10,000 superficial feet on the average per day. The mill was worked with practically no breakdowns nor loss of time.

South End.

Taihape Station, at 44 m. 70 ch. from Marton Junction, was the end of the opened line at the beginning of the year, and work has been going on from there to meet the north end, Horopito Station, at 91 m. 50 ch., being the objective point of meeting.