

till about the middle of next year, when through communication by rail from Maunganui to Paengaroa, possibly to Pongakawa, will be established. The stone-crushing plants at Moturiki and Te Puke have maintained a steady output since their installation. Beyond Pongakawa formation-work by co-operative contract is in hand, and good progress has been made up to Otaramakau, thirty miles from the starting-point at Maunganui. Farther on still a little work towards Matata is being done, mostly by horse teams.

A contract has been let for the supply of steel rods for reinforced-concrete cylinders of the important steel bridge which is to carry the line across Tauranga Harbour near the town, and tenders are being invited for the supply of structural steel for the bridge itself, which will be erected by the Department's Engineers.

On the short section commencing near Waihi satisfactory progress has been made with the rock cuttings under small contracts and by co-operative labour. Two out of six contracts were completed, and the others are well in hand.

At the Gisborne end the section between Otoko and Matawai, $12\frac{3}{4}$ miles in length, was cleared of slips and handed over for regular traffic early in November. Beyond Matawai some rock cuttings and banks have been completed and the rails laid for a distance of four miles. Bushfelling and preliminary work over another mile is well forward, but the nature of the country traversed does not permit of very rapid progress.

On the Gisborne-Napier line the erection of a steel bridge over the Waipaoa River is in progress, and four temporary bridges have been built to permit of the transport by rail of plant and heavy material where the roads are not good. A quarry some distance off the line near Repongaere has been opened up, a temporary line laid into it, and crushing plant installed. Earthworks and the excavation of a short tunnel are in progress up to a point fourteen miles from the junction at Makaraka, and the route ahead has been fixed as far as the Hangaroa Township site. Surveys have also been made near Wairoa, and two miles of the route located on either side of the town, with a view to construction-work being started at that point in the near future.

From Napier northwards no construction-work has been in hand during the year, but a start has recently been made with the erection of the reinforced-concrete bridge which is to carry the line across the Inner Harbour. The embankment forming approaches at either end of the bridge is being constructed, under arrangement, by the Napier Harbour Board.

Three new sections of this line will be included in the current year's Railways Authorization Act—the first from Athenree to the end of the authorized length at the Wairoa River, the second from Taneatua to Opotiki, and the third from Hangaroa right through to the limit of the present authorization at the Napier end, including a branch line to the port of Wairoa.

STRATFORD - MAIN TRUNK.

Since the opening of the line to Whangamomona construction-work has been in progress over nine miles and a half between the terminus and Tahora. The work comprises two tunnels, road and stream diversions, and several small bridges, besides usual earthworks and culverts. One tunnel 23 chains long is finished, the other is being widened out, most of the bridges are built, and the minor works are well in hand over the whole length. Rails have been laid and the line partly ballasted as far as Kohuratahi, four miles and a half from the terminus of the open line, and a tramway has been laid from that point to the second tunnel to transport plant, material, and stores to the works, in preference to hauling over the longer and steeper route by road. Ballast material for this section of the line is brought by train from Mount Egmont.

At the eastern end the contractor for the Okahu Tunnel was unable to carry on the work owing to financial difficulties; and in April last the contract, with the Department's consent, was assigned to Messrs. Dillon (Limited), a company in which most of the parties to the original contract retain an interest. The new contractors have experienced much bad weather since they took over the work, but there is every prospect of better progress being made during the spring and summer. The contract covers two miles and a half of formation, including the