

*Tauranga Eastwards.*

Goods and passenger traffic has been continued throughout the year between Mount Maunganui and Matata, a distance of approximately 40 miles, without interruption, and the whole line has been efficiently maintained and improved.

*Matapihi Section* (41 miles 5 chains to 45 miles = 3 miles 75 chains).—Erection of the Tauranga Bridge is proceeding to the full capacity of the skilled and experienced labour available. Five cylinders have been finished, and six others are well forward.

*Rangitaiki Section* (79 miles 16 chains to 87 miles 71 chains = 8 miles 55 chains).—Forming and trimming has proceeded uninterruptedly during the whole year and good progress has been made. Platelaying was commenced from the Matata end in June, and banks have been made up with spoil from the steam-shovel at Awaponga. Rails are now laid to 84 miles 41 chains, and a commencement is being made with the Rangitaiki River temporary bridge.

*Awakiri Section* (87 miles 71 chains onwards).—Formation work is in hand, and several miles of service road have been constructed. Flying surveys have been made and 19 miles of trial lines run.

*General.*—Tauranga Workshops: A new workshop to replace that destroyed by fire in June, 1919, is almost completed. Some new machinery has been installed, and orders placed for the balance. Railway rolling-stock was efficiently repaired in this shop, and ironwork was manufactured for bridges in Gisborne, Auckland, and Taumarunui districts, as well as for several bridges in the Tauranga district. Including those on maintenance, traffic, construction, and location survey, 310 men are employed. It is anticipated that the rails will be laid into Awakiri Station by the end of 1920, and to Whakatane Junction within another six months. Owing to the character of the swamp country, the rails are being laid practically on the natural surface, and the banks built with material brought by train from pits where it is excavated by mechanical means.

*Gisborne-Wairoa.*

*Ngatapa Section* (0 miles to 10 miles 29 chains; actual length, 11 miles 18 chains).—This section is nearly completed and has been efficiently maintained. Passenger and, in addition, goods traffic has been worked twice weekly. The usual ballast and works trains, &c., have been run. The Repongaere quarry has been worked intermittently producing metal and pulverized agricultural lime as required.

*Waikura Section* (10 miles 29 chains onwards).—Formation is proceeding with what labour is available. Seventy-four men are now employed. The railway between Gisborne and Napier will traverse extremely difficult and treacherous country, and, as throughout a great deal of its length it does not follow the present line of road, it will be many years, even with the most vigorous prosecution before it will be of material assistance to through passengers. It seems to me, therefore, that the proper policy will be to push on as energetically as possible with the construction of a metalled road between these two important centres. As soon as this is done there will be at least one sure avenue of communication, and the men engaged on this road-work can all be placed on the railway-works; and, furthermore, by that time, with the completion of some of the other work in hand, more plant and men will be available. By their concentration then on the railway between Napier and Gisborne the connection will be made at as early a date as would result from an attempt at the present time to push on with the very limited supply of labour and material at present available.

*Wairoa-Gisborne.*

*Fraserview Section* (0 miles onwards).—Labour shortage prior to December last materially hampered work on this section, but men have been more plentiful since. Formation is proceeding, service roads are being formed, and fencing erected. Shortage of cement has delayed the construction of culverts, &c. A number of temporary buildings have been erected. Fifty-four men are now at work.

*Napier-Wairoa.*

*Eskdale Section* (length, 11 miles 51 chains).—The formation of the whole length of this section is completed and ready for platelaying, with the exception of the first 30 chains, on which a steam-shovel is employed. There are also small gaps