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Gisborne-Wairoa.

Ngatapa Section.—Ballasting to the $9\frac{1}{2}$ -mile peg has been completed, several culverts built, and Ngatapa Station yard raised. This raising was necessitated by the general rising of the streams and land in the vicinity as a result of slips on the hills and heavy denudation. A passenger-and-goods service has been maintained throughout the year.

Over 400 tons of lime from the Repongaere Quarry were supplied to the public

during the year.

Waikura Section.—Fair progress has been made with the formation, as well as culverting, drain-cutting, stream-clearing, willow-planting, platelaying, and ballasting. One steam-shovel is constantly employed removing slips.

All except maintenance work, and preliminary work towards tunnels, will be

discontinued.

Wairoa-Gisborne.

Two miles of formation has been practically completed. The approach to the Wairoa Station yard has been partly formed, and road-deviation formed and metalled. The contractor for the erection of the Stationmaster's residence and three platelayers' cottages at Wairoa Station has been hampered by the difficulty of obtaining timber-supplies. Two cottages, however, are now complete.

Nothing is proposed to be done here at present.

Napier-Wairoa.

Eskdale Section.—The first 49 chains of this section are complete except the river gap at 24-chains peg. From 49 chains to 1 mile 69 chains are under contract by the Napier Harbour Board, and are complete except river gap on main and Port lines. The balance to 10 miles 51 chains is ready for trimming and plate-laying. One platelayer's cottage in concrete at Eskdale yard is complete, and two others and a Stationmaster's house are in hand.

Tutira Section.—Formation is proceeding satisfactorily, stream-diversions and drains are being made where necessary, and culverts built. The service road is being formed and metalled. Permanent-line survey has been completed from 14 miles to 30 miles, as well as various road surveys and trial lines.

The programme at present is to complete the line to Eskdale, a distance of

about ten miles, before any forward move is made.

The Napier-Wairoa-Gisborne Main Road has been extensively improved by the construction of a deviation and the metalling of same on what is known as the Waikare-Mohaka Section, between Napier and Wairoa. Further extensive improvements have also been made between Wairoa and Gisborne over a bad piece of road known as Wharerata Hill. The expenditure on these works amounts to £44,000, and a further £60,810 is allocated for 1921-22. The object in view is to concentrate on the road. The reason for this is that owing to the length of line to be constructed, the character of the country to be traversed (involving as it does a number of very large viaducts), and the present financial situation, it will not be possible to make railway connection between Napier and Gisborne for a very considerable time, and it is felt that it is better to spend a substantial sum in making a through road connection available in all weathers, rather than to proceed slowly with the railway.

Waikokopu Branch.

Nuhaka Section.—The contractors for the large cutting at Te Uhi abandoned the work. Another contract was let, but the Department had to terminate this owing to the dangerous manner in which the work was being performed. It is now being done by day work under direct supervision of the Department. A steam-shovel is utilized, with the result that cost is lower and progress greater. In July, 1920, seventy teams and scoops were engaged between the 3-mile and 9-mile pegs, but the ground becoming too wet they were transferred to the sandhills (9–12 miles), where excellent progress was made. By September all the formation that could be worked between $9\frac{1}{2}$ miles and 17 miles had been completed. From September to November little could be done beyond draining and planting marramgrass. Scoop-work was resumed in November, and the whole formation on this section (17 miles) is now almost complete.