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approach to the tunnel is completed, and the southern one is still under construction. Steel has been ordered for the Wairoa River Bridge. It is proposed to concentrate on this section, in order that materials for the heavy works at Mohaka and Wairoa Sections may be conveyed by rail from the Port of Waikokopu. The construction of the Waikokopu Branch is completed with the exception of two bridges, which are well under way, and a few other items which are receiving attention, and the goods service was continued throughout the year.

The construction of Matiere Section, at the east end of the Stratford – Main Trunk Railway, has been completed, and also main-track formation on most of Ohura Section. Considerable progress has also been made with construction of bridges, Ohura station-yard, approach roads, &c., on the section, and the railhead has reached 15 m. 71 ch. A goods and passenger service was continued for the convenience of settlers from the junction with the main line at Okahukura to Toitoi.

At the western end of the Stratford – Main Trunk Railway activities during the year were confined almost entirely to tram-line construction, erection of accommodation for workers, and preliminary work in connection with the tunnels on Raekohu and Haeo Sections. The construction, &c., of the main tram-line and the jig-line over No. I tunnel was completed, and a bi-weekly service has been run from Tangarakau to the terminus of the opened line at Tahora. The power-house has been erected, and some of the machinery which was transferred from Mangahao and Otira for tunnel-work is installed and running. A commencement has already been made with work in No. I tunnel. The township reserve at Raekohua has been laid out for a workman's camp, and a large number of both single and married quarters have been erected, and a water-supply provided.

The construction of the Opunake Branch Railway is complete, with the exception of three small items, and it was handed over to the Railway Department last month, prior to which a goods service was operated by the Public Works Department.

A commencement was recently made with the work of deviating the railway at Palmerston North for the purpose of diverting railway traffic from the centre of the town and to enable modern marshalling-yards to be constructed.

Work on the Hutt Railway duplication is proceeding satisfactorily. Double shifts were employed on formation work last summer, and the greater part of that portion of the work has been put in hand. When the large overhead crossing on the main Hutt Road was finished the permanent-way was laid, and connection established between the open and new lines. This enabled goods to be handled for factories which have been erected along the new line, and this traffic is developing rapidly. The construction of a double-track bridge, with footway, across the Hutt River is well advanced, despite delays caused by floods.

SOUTH ISLAND LINES.

Work on the Glenhope–Murchison portion of the Midland Railway had advanced sufficiently in November, 1925, to enable goods traffic to be run over the Kawatiri Section, which is nearly 4 miles long; and that section was completed and handed over to the Railway Department in May last, with the exception of 2 chains at the far end, where a large slip occurred.

The question, however, of the further prosecution of this work will have to be seriously considered in view of the increasing efficiency of transport by road, and at present the Departments concerned are investigating the position with regard to this particular section. I hope that I will shortly be in a position to personally visit this district to enable me to judge of the requirements and the best methods to be adopted.

Formation and culverts on Cascade Creek Section of the Westport–Inangahua line are finished, and the rails are laid to Cascade Creek Bridge, at the end of the section, with ballasting almost completed. One of the several bridges on this section is erected and the others are in course of construction. A survey has been

made and plans prepared for proposed coal-sidings at Cascade Creek.

The survey for the South Island Main Trunk Railway between Wharanui and Parnassus has been in hand for some time. The line, if constructed, would be an extremely expensive one, and it is a matter for serious consideration if the requirements would not be met by the introduction of a road motor service between railheads. When details are available relating to the traffic likely to be secured by this method, a decision will be arrived at.

The Miller's Flat Section of Lawrence-Roxburgh Railway was practically complete at the end of last year. The goods service was continued by the Department