

present railhead near Waikare, northwards from Waikokopu, and southwards from Gisborne. In view of the use which the Department is making of the Port of Waikokopu, both in connection with the railway-construction and the Waikaremoana hydro-electric development, a considerable amount of money has been spent on facilities there, and a small breakwater is under construction, the whole being in accordance with an arrangement made with the Wairoa Harbour Board under which they will later on repay to the Government a great proportion of the cost of the works. At the Gisborne end a further survey is being made to ascertain whether the distance cannot be materially shortened, it being realized that, in order that the railways may effectively compete with road transport, directness between large centres of population is essential, even though this may involve some extra expense. A considerable portion of the line between Waikokopu and Muriwai will be remote from the main road, and it has been found necessary to do a great deal of development work in the nature of access roads, trams, and jig-lines before the railway proper can be commenced. These access facilities, which are directed to the early commencement of the crucial points on the line, are now well advanced.

The Stratford Main Trunk Railway is also being vigorously prosecuted, and is manned on a maximum scale, three shifts and all available plant being worked on the governing points, which are mainly the tunnels, there being no less than four miles of tunnel between the present railheads. A coal-mine has been opened in the Tangarakau Gorge, and others are in contemplation in the same formation. Special coal-loading sidings are under consideration at Raekohua Station, so that heavy traffic on this line will soon materialize.

It has also been decided that the construction of the last link in the Picton-Bluff Railway—namely, the part between Parnassus and Wharanui—should be resumed as soon as the route had been decided upon and the necessary surveys completed. At the northern end there is a considerable distance on which only one route is available; sufficient of this has been pegged out, and a commencement with construction has been made. On the remaining length surveys are in hand and the route is being pegged.

Work on the railway designed to connect Westport and Nelson with the rest of the railways of the South Island by a junction with the present West Coast lines at Inangahua Junction is being vigorously pushed forward. Unfortunately, the disastrous earthquake which so badly damaged the northern end of the South Island on the 17th June, 1929, interrupted this work, it being necessary to transfer almost the whole of the men from the railway-works to open up road communications in the adjoining districts. The dislocation of the ground throughout the whole length to be followed by this railway has resulted in a great number of enormous slips, in addition to rendering unstable the ground which has not yet slipped. The result of this will be a great increase in the cost of this railway over and above what it would have been estimated at prior to the earthquake. The line has not yet been surveyed in detail throughout, but as soon as it is possible to open up a pack-track to allow engineering surveyors to penetrate the country the survey will be resumed.

The total vote proposed for railway-construction this year is £1,655,000, this being a very considerable increase on the £1,002,872 spent last year. The rate of progress on railway-construction has been generally expedited in accordance with the Prime Minister's policy of bringing the railways under construction to a paying-point as early as possible. The reason for this is obvious, particularly as this policy also enabled the employment of additional men on reproductive work rather than on relief works, which, although useful works and eventually necessary, were not so urgently required by the country.

In addition to the railways being constructed from the ordinary Public Works Fund, my Department has been carrying out two very large works with funds derived from what is known as the Railways Improvement Account. These deviations are in the vicinity of Auckland and Wellington. What is known as the