

the demand for crushed metal for maintenance, reconstruction, and permanent paving has increased, and with a view to ensuring a dependable and economical source of supply the quarry plant has been maintained in first-class order.

The output was distributed as follows: Public Works Department, 10,212 cubic yards; counties, 2,225 cubic yards; New Zealand Railways, 19,140 cubic yards; private purchasers, 518 cubic yards.

PAEROA-POKENO RAILWAY.

A commencement of the preliminary work for the construction of this line was made in October last, and a survey party started on the relocation of the centre-line as pegged thirteen years previously.

Owing mainly to the deviation and reconstruction of the Pokeno-Paeroa State Highway and the Great South Road during the intervening period, and to areas flooding more heavily than previously, it was found necessary to relocate the line over these lengths. As a result, fourteen miles of new survey became necessary.

From the Pokeno end, 14 miles of trial line and 6 miles of permanent line were finished along with plans. Three miles (25-28) were repegged and levelled, and permanent plans completed.

At the Paeroa end the line was repegged from 0 m. to 8 m. and plans prepared for 0 m. to 7 m.

Construction headquarters were established at Pokeno, and the following buildings were erected: Office, store, carpenter's shop, staff bach, five married staff houses, five single staff huts, ten storage huts, sixteen married-men's quarters, and twenty-seven single-men's quarters. At the Paeroa end the office, workshop, six married-men's and twenty-two single-men's quarters were completed.

Actual construction on the route has been commenced at Maramarua, about 15 miles from Pokeno, where clearing, fencing, culverting, draining, and additional camp accommodation are being pushed ahead as fast as possible. At the Paeroa end No. 1 dredge has pumped 12,750 cubic yards to the right bank and 10,276 cubic yards of sand to the left bank approach of the Waihou River.

EAST COAST MAIN TRUNK RAILWAY: EXTENSIONS TO OPOTIKI.

The Government decided recently that the construction of the railway from Taneatua to Opotiki was to be proceeded with, and for the past month or so survey parties have been investigating the question of alternative routes.

It has now been decided to adhere to the route through the Waimana Gorge, and a survey party is proceeding to peg the permanent line.

It will be necessary to carry out a fair amount of survey work before construction can commence, but it is anticipated that the work will be under way before the end of the year.

The construction of the railway necessitated the abandonment of portions of the existing State highway through the Waimana Gorge, and investigations are at present in hand to ascertain the possibility of constructing the State highway on a different route. Even if this is done it will be necessary to construct a new road through the Waimana Gorge also, so as to give farmers the same road access as they have at present.

NAPIER-GISBORNE RAILWAY.

Work on this railway has been considerably disorganized by disastrous floods which have occurred, but in spite of these good progress has been made.

On the night of 19th February phenomenal rainfall in the watersheds of the Kopuawhara and Maraetaha Streams caused unprecedented flooding in these streams, and the single men's quarters at No. 4 Camp in the Kopuawhara Valley were swept away and twenty-two valuable lives were lost. Seven married men's quarters at Boyds Camp on the Maraetaha watershed were also swept away by the flood-waters, but fortunately only one life was lost.

Further heavy flooding in April did a great deal of damage to the railway, and the programme of construction is probably six months behind schedule time.

The section of the railway between Putorino and Wairoa was to have been completed and handed over to the Railway Department in June, but the disastrous flood of April has altered the position completely.

The major portion of the damage to the railway was on the section between Napier and Putorino, which had already been handed over to the Railway Department. It is anticipated that the restoration of this section will take four to five months to complete, so that it will probably be towards the end of the year before the line between Napier and Wairoa is open for regular traffic.

A through-goods service to Wairoa had been inaugurated in August, 1937, and, as can be seen from figures given later in this report, had been well patronized. The closing of the line and the stoppage of goods traffic has been most unfortunate for the people served by it.

The total expenditure on this railway over the period from 1st July, 1937, to 30th June, 1938, was £451,241.

The average number of men employed was 1,100.

Details of the work carried out on the various sections of the railway are as follows:—

Napier-Putorino Section (Length, 38 m. 62 ch.).—The restoration of this section of the railway after the damage of the 1931 earthquake was completed by this Department, and it was opened to regular traffic by the Railway Department.

As mentioned above, however, it was very seriously damaged by the floods of April and will be closed to traffic for four or five months. Restoration of the line is being undertaken by the Railway Department and good progress is being made.

Putorino-Te Kumi Section (Length, 18 m. 10 ch.).—In the past twelve months relatively little formation was done beyond the clearing of minor slips and widening of banks and cuttings,