Otamatea Station (81 m. 30 ch. to 83 m. 75 ch.).—This section is now being opened up. Clearing of scrub along the line is in hand, and a party of workmen are engaged in putting in pipes and culverts. A service road is being constructed alongside the line, and a commencement has been made with some of the cuttings.

GISBORNE-ROTORUA.

Otoko Section (23 m. 50 ch. to 31 m. 45 ch.).—Work on this section up to 31 m. has practically all been completed, and the Department's train is running daily. The Otoko Viaduct, which occurs just before reaching the end of the section, being incomplete, has for general convenience necessitated the construction of a temporary station at the viaduct, which has been completed. A contract has been let for the erection of the viaduct. The workshop at the viaduct-site has been erected, and is now being fitted up. Materials have been ordered, and work on foundations commenced.

and is now being fitted up. Materials have been ordered, and work on foundations commenced. Rakauroa Section (31 m. 45 ch. to 38 m. 25 ch.).—Earthworks are in hand throughout the whole of this section, and for a considerable distance are nearly completed. Construction of bridges and culverts is very much delayed by the difficulty of obtaining gravel for concrete, which can only be carted during summer months owing to the bad roads.

Matawai Section (38 m. 25 ch. onward).—Survey-work is still in hand on this section. Formation has been commenced on the first two miles.

STRATFORD-ONGARUE RAILWAY.

Te Wera Section (15 m. 68 ch. to 22 m. 65 ch.).—Work on this section was practically completed and the line handed over to the Railway Department on the 20th June, 1910. There are a few minor items still to be attended to.

Pohokura Section (22 m. 65 ch. to 31 m. 40 ch.).—All formation-work on this section is now complete, and rails have been laid to 28 m. The tunnel through the Pohokura Saddle, at 28 m. 14 ch., is now finished, and platelaying has been resumed from this point towards Pohokura Station. The second lift of ballast has been put on up to Ngatimaru Station yard (26 m. 34 ch.), and fencing and telephone-line are complete to 28 m. One cottage has been built at Pohokura, and the station-buildings at Ngatimaru are in progress. A three-span beam bridge is being built at 22 m. 67 ch. Whangamomona Section (31 m. 40 ch. to 37 m. 40 ch., approximately).—The formation, with exception of culverts, is practically finished to 34 m. Clearing and further formation is in pro-

Whangamomona Section (31 m. 40 ch. to 37 m. 40 ch., approximately).—The formation, with exception of culverts, is practically finished to 34 m. Clearing and further formation is in progress up to 36 m. This length shows some of the heaviest work met with so far in the construction of this line, and includes a tunnel $29\frac{3}{4}$ chains in length through the ridge forming the divide between the Patea and Wanganui River basins. Driving the tunnel has been commenced at the Whangamomona end. At the Stratford end the long approach cutting is being taken out.

MOUNT EGMONT BRANCH.

Prospecting the stone-deposit at Manganui has been completed with favourable results. Survey-work on line has been completed sufficiently to enable the best method of conveying stone from the quarry to rail-head, as regards locomotive traction, to be considered, which is now being done.

BLENHEIM-WAIPARA, NORTH END.

Seddon-Blind River Section (33 m. 45 ch. to 37 m. 7 ch.).—This section, though completed some time, has not yet been handed over to the Railway Department, and consequently it has been necessary for this Department to maintain it and run goods traffic. The Blind River Station yard and approach road have been gravelled.

Ward Section (37 m. 7 ch. to 48 m. 9 ch.).—Practically the whole of the earthworks on this section are now complete.

A length of 37 chains of the bank across Lake Grassmere has yet to be widened from 12 ft. to 16 ft.

Stream-diversions have been made at various points where necessary, and catch-water drains cut for the full length of the section.

The formation of the station-yard at Kaparu has been completed, the resulting excavated material going towards the lake-bank and station-approach road. The Hauwai Station yard has been completed, also the approach road, and extra widening is now in hand. Bridges aggregating twenty-two short spans have been erected, and culverts put in where necessary.

Platelaying has been completed from 40 m. 60 ch. to 48 m. 10 ch., including Hauwai and Ward Station yards.

A first lift of ballast has been put in from 40 m. to 48 m. 10 ch., including Kaparu, Hauwai, and Ward sidings. The second and third lifts of ballast have been completed from 37 m. 7 ch. to 40 m. 20 ch. The Lake Grassmere bank from 39 m. 75 ch. to 40 m. 50 ch. has been protected with round-stone pitching.

Goods traffic has been carried from Kaparu since the 1st December, 1909; from Hauwai since the 12th February, 1910; and from Ward since the 27th April, 1910. Control of the completed portion of this line is being retained by this Department so as to reduce as much as possible interference with the haulage of ballasting-material from the Awatere pit.

Fencing: The Railway Reserve has been fenced on both sides from 39 m. 4 ch. to 39 m. 70 ch., and the left-hand side has been netted from 37 m. 7 ch. to 39 m. 70 ch. to make it rabbit-proof. Fencing has also been done from 41 m. 60 ch. to 45 m. 47 ch. on the left-hand side and from 43 m. 45 ch. to 45 m. 47 ch. on the right-hand side. The fence along the Kapuru Station approachroad has also been netted on one side. Nine crossing-gates have been erected.

Station buildings: Kaparu Station buildings were completed in March, Hauwai platelayers' cottages in May, Ward platelayers' cottages in May, and the Hauwai and Ward Station buildings are in course of erection.

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