

has given a great deal of trouble. A steam navy was employed, but had to cease work during four months of the year owing to the wet and heavy nature of the ground. About 26,000 cubic yards of heavy clay pug were, however, excavated by the navy in the eight working-months.

Between Kaikohe and Okaihau $2\frac{1}{2}$ miles of the service road has been metalled.

Over 3 miles of telephone communication has been established along the works, and a platelayer's cottage is being erected at Okaihau Station. An average of from fifty to sixty men were employed during the year, although the works were entirely closed for about two months during the influenza epidemic.

Okoro Section (24 miles 45 chains to 34 miles 19 chains).—Operations were commenced in August, 1918. The formation generally between 24 miles 45 chains and 25 miles is well on towards completion, and culverting is in progress.

A quarry has been opened and a crushing plant established at 25 miles, and metal is being carted ahead to the culverts at 28 miles. All activities were suspended for seven weeks during the influenza epidemic, which caused considerable delay in the progress of the work. An average number of 110 men were employed during the year on these two sections.

WHANGAREI BRANCH.

Oakleigh Section (0 miles 0 chains to 7 miles 60 chains).—The first 5 miles 23 chains of this section was completed in July, 1918, but owing to heavy subsidence in the banks it could not be handed over to the Working Railways Department. It is, however, being maintained and goods traffic is being run by my Department. I hope shortly to hand it over to the Railway Department for ordinary passenger traffic. Formation beyond 5 miles 23 chains is in progress.

The construction of the Katetoke Bridge is progressing satisfactorily.

Ballasting is proceeding, and the approach roads to Oakleigh Station were metalled.

Tauraroa Section (7 miles 60 chains to 14 miles 67 chains).—This section is practically completed. Subsidence of banks and slips in cuttings have given a great deal of trouble, but all have been efficiently dealt with.

A 30,000-gallon reinforced-concrete reservoir for Oakleigh Station was erected near 10 miles 12 chains, and an oil-engine installed to pump water from the Tauraroa River. The crushing plant has been working continuously at the Tauraroa quarry. A third platelayer's cottage and a goods-shed were erected at Tauraroa station-yard.

Waiotira Section (14 miles 67 chains to 19 miles 79 chains).—Platelaying and ballasting have been completed from 15 miles to 16 miles 54 chains, and, with the exception of one bank, formation finished as far as 17 miles 73 chains.

Good progress has been made with the erection of Waiotira Bridge, and from thence onward to 19 miles 60 chains the formation is in hand, and should be completed in another three months.

Heavy slips have, unfortunately, occurred on this section, which have somewhat retarded ballasting operations.

On the average 225 men were employed on this railway (Oakleigh, Tauraroa, and Waiotira Sections) during the year.

WAIPU BRANCH.

A commencement was made on this work at the end of March last, and operations will be continued during the current year.

WAIUKU BRANCH.

The only formation work of any magnitude remaining to be done to complete to the 10-mile peg is a bank and cutting at Mauku Creek. Operations are in progress between 10 miles and 12 miles.

The foundations for the 12 ft. arched culvert at Mauku Stream, owing to the soft nature of the ground, have proved a very troublesome undertaking. 143 chains of fencing has been done, and the necessary maintenance has been attended to.