

The figures per mile of line are very instructive when considering the value of new lines to the system :—

The length of branch lines included is 719 miles.	£
The average capital cost per mile, including rolling-stock, is only	7,333
The average revenue per mile is	406
The average expenditure per mile, exclusive of interest, is	475
Made up as follows :—	£
Maintenance of track and structures	187
Upkeep of cars, wagons, &c.	33
Transportation expenses	234
General and administration, &c.	21
Total	<u>£475</u>
The average interest per mile at $3\frac{3}{4}$ per cent. is	275
The average interest per mile at $4\frac{1}{8}$ per cent. is	302

If these lines were constructed at the prices now ruling the costs would be much higher.

An inspection of the figures in the column showing the average revenue per mile shows that, apart from exceptional cases, a revenue of more than £400 per mile cannot be expected, even after the business has had many years in which to become established.

A close analysis of the value of the branch-line traffic as feeders to the main-line traffic has been made, and this shows the value to be £100 per mile for the year's figures quoted above. Taking this into consideration, the comparative values per mile of the opened branch lines to the system may be placed as follows :—

	£		£
Revenue	406	Expenditure	475
Value as feeders to main line 100		Interest	302
	<u>506</u>		
Loss to the system ..	271		
	<u>£777</u>		<u>£777</u>

On new lines mooted and under construction, where the cost per mile runs to £15,000, £20,000, or £25,000, the interest-rate runs to £619, £825, and £1,031 per mile respectively, plus the cost of rolling-stock necessary to properly equip the lines.

The Board is giving consideration to the problem of reducing the losses on the branch lines to a minimum. The figures quoted above will show what a difficult task it is.

The following figures in amplification of the above will be of interest :—

Average Revenue per Mile of Line.

	£
All lines	2,316
North Island, exclusive of branches	3,870
North Island, inclusive of branches	3,602
South Island, exclusive of branches	2,432
South Island, inclusive of branches	1,637
North Island branches, as per list	413
South Island branches, as per list	405
Kaihu Section	378
Gisborne Section	728
Nelson Section	405
Picton Section	609
Westport Section	3,568

SUPERANNUATION FUND.

The report and balance-sheet of the Government Railways Superannuation Fund for the year ended 31st March, 1925, shows the position to be as follows :—

	Annual liability, £205,579.	£
Members contributions	139,333	
Fines and donations	436	
Interest	36,941	
Deficit, to be drawn from subsidy	28,869	
	<u>£205,579</u>	
At the same date the liability to contributors in respect of amounts paid in was	1,060,205	£
The total accumulated fund was	734,112	
Leaving a deficit of	<u>£326,093</u>	