

BRANCH LINES.

As indicated in my predecessor's last report, a thorough investigation was being made into the whole of the train services, with particular reference to the branch lines. Since I assumed control comprehensive reports have been submitted, and in view of the heavy annual losses I was reluctantly compelled to authorize the closing down of certain branch lines and isolated sections.

In order to effect further economies in train operation, certain passenger-train services have also been curtailed.

I found that the Department in this connection had been striving to regain lost passenger business by providing attractive services over long distances, and, although train-mileage had increased, there was still a decline in passenger revenue.

The following table of figures will emphasize the position :—

Year.	Train-mileage.	Increase over Previous Year.	Passenger Revenue (including Season Tickets).	Increase or Decrease over Previous Year.
			£	£
1924-25	9,083,623	59,120	2,288,571	61,029 decrease.
1925-26	10,319,407	1,235,784	2,537,047	248,476 increase.
1926-27	10,723,864	404,457	2,304,180	232,867 decrease.
1927-28	10,838,594	114,730	2,145,296	158,884 ..
1928-29	11,113,482	274,888	2,124,746	20,550 ..
1929-30	12,022,043	908,561	1,995,927	128,819 ..

The train-mileage increase was due, to a fairly large extent, to the growth of goods traffic; but even with this favourable aspect a large proportion of the increased mileage was due to passenger services.

In view of the financial position of the Department the running of several of the passenger-trains has had to be restricted, at least until the busy season commences.

AUCKLAND NEW STATION.

It is anticipated that the opening of the new station at Auckland will take place towards the end of October. This will enable the staff to become familiar with the working of the station before the busy season commences.

It is anticipated that the final cost of the station and yards, which includes interlocking, signalling, &c., will approximate £1,210,000, while the cost of the Westfield Deviation, including several stations *en route*, will be £790,000, making a total expenditure of £2,000,000.

WELLINGTON NEW STATION.

The work of reorganizing the Wellington station-yard is progressing satisfactorily.

The completion of the Tawa Flat Deviation works and the rearrangement of the railway facilities will synchronize with the completion of the new station.

The sum of £468,000 has already been spent on reclamation works and new yard accommodation, and it is estimated that £1,085,000 will be required to complete the undertaking—*i.e.*, station buildings and yard.

This figure does not include the Tawa Flat Deviation. At the 31st March, 1930, the sum of £670,000 had been expended on this work. It is estimated that a further sum of £545,000 will be required to complete it. The total cost, therefore, will be £1,215,000.

ROYAL COMMISSION.

With a view to investigating all branches of the Department's activities, and to advise where economies could be effected, the Government decided to set up a Royal Commission.

The order of reference was a comprehensive one, and it is anticipated that the Commission's report will be submitted to the Government on the 1st September.

The Commission has visited the four main centres, where considerable evidence and data have been collected.