

A statement of results of the working on branch lines and isolated sections for the year ended 31st March, 1930, is shown on page 72. Your Commission's report relative to the above is set out hereunder:—

Kaikohe Branch. (Distance, 24 miles 42 chains.)

The operating revenue and expenditure per mile for this branch for the past four years was:—

Year.	Branch Revenue.	Feeder Value.	Total Revenue.	Working-expenses.	Interest.	Total Loss.
	£	£	£	£	£	£
1927	563	238	801	566	587	352
1928	414	197	611	559	593	541
1929	317	241	558	613	593	648
1930	310	182	492	595	615	718

The operations for the whole of the branch for the last year were as follows: Branch revenue, £7,758; feeder value, £4,542; total revenue, £12,300; working-expenses, £14,871; interest, £15,375: total loss, £17,946.

An extension of this branch is now being built through difficult country from a constructional point of view, and, although a greater area of land will be opened up, it is unlikely that the line will ever pay more than working-expenses or that the position will improve as the line is extended.

The services on this line are now at a minimum, and it appears impossible to operate this branch other than at a considerable loss. The position and the results obtained in working this branch should be closely reviewed from time to time, and a close watch kept on the working. If it is found that the settlers do not support the railway, the advisability of closing the branch should be considered.

Kirikopuni Branch. (Distance, 14 miles).

This branch runs from Waiotira, on the Main North Railway, and is being built to Dargaville, where it is to join the Kaihu Valley line. It has been completed to Tangowahine, and is at present being worked to Kirikopuni by the Railways Department, and from there to Tangowahine for goods traffic by the Public Works Department.

The country through which this railway passes is unstable, and is difficult from a constructional point of view. The cost of building was extremely high—viz., £1,059,350, for a distance of 13 miles 57 chains—equal to £77,325 per mile.

The operating revenue and expenditure for this branch for the past year was:—

Year.	Branch Revenue.	Feeder Value.	Total Revenue.	Working-expenses.	Interest.	Total Loss.
	£	£	£	£	£	£
1930	2,701	2,381	5,082	7,916	45,220	48,054

In 1927 the Chairman of the Railways Board reported that from investigations that had been made he estimated that there would be a loss on this branch of £77,000 per annum when it was completed. This loss is arrived at after allowing for a subsidy of £10,000 in respect of the Kaihu Valley line.

There is no prospect for this branch line ever paying. The interest charges, which last year amounted to £45,220, will continue, and be considerably increased when the Kirikopuni-Tangowahine Section is incorporated with the railway system.

Your Commission is of opinion that the operating of the line should be continued for a reasonable time, the results being carefully reviewed at intervals of six months, and if, after giving full consideration to the feeder value, it is found that the loss materially increases the advisability of closing the branch should be considered. (See also page 59—Kaihu.)