

*Waiuku Branch Line.* (Distance, 12 miles 55 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 .. ..	509	300	809	638	698	527
1928 .. ..	481	257	738	733	685	680
1929 .. ..	423	242	665	727	688	750
1930 .. ..	402	155	557	696	707	846

The operations for the whole of the branch for last year were as follows : Branch revenue, £5,225 ; feeder value, £2,016 ; total revenue, £7,241 ; working-expenses, £9,051 ; interest, £9,191 : total loss, £11,001.

Your Commission recommends that the passenger service be discontinued, and that the locomotive depot at Waiuku be closed and the staff transferred ; that goods traffic be worked as required, and that the rates be reviewed, the delegates appearing on behalf of the district having intimated that they would be willing to accept an increase and to make co-operative efforts to induce the traffic to the Department rather than risk the loss of the line.

Estimated saving, £900 per annum.

*Taneatua Branch Line.* (Distance, 111 miles.)

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 .. ..	69,276	13,752	83,028	116,478	120,546	153,996

The capital cost of this line was £2,732,185, the construction of which was quite unwarranted ; the annual loss per mile is £1,387, and the total annual loss is £153,996.

There is no possibility of this railway ever paying its way. As the interest charges have to be met, an endeavour should be made to extinguish the loss in working, and your Commission recommends that the express service between Taneatua and Tauranga, and *vice versa*, be curtailed to three days a week and a further reduction made in the goods service. At present the Department is running twelve goods-trains per week between these stations, whereas nine such trains should suffice.

There is a considerable amount of sea and road competition along the greater part of this railway, which can only be defeated by the settlers making full use of the railway. If an improvement in results is not obtained, the service might be further diminished and expenditure reduced in operating and maintenance costs by running goods-trains only as required beyond Tauranga.

Estimated saving, £12,000 per annum.

*Toko Branch.* (Distance, Stratford-Tahora, 48 miles.)

The operating revenue and expenditure per mile for the last four years was:—

Year.	Branch Revenue.	Feeder Value.	Total Revenue.	Working-expenses.	Interest.	Total Loss.
	£	£	£	£	£	£
1927 .. ..	377	55	432	568	688	824
1928 .. ..	323	50	373	513	671	811
1929 .. ..	329	54	383	582	671	870
1930 .. ..	330	42	372	587	692	907