

The operating revenue and expenditure for the whole of the branch and for last year was as follows: Branch revenue, £15,373; feeder value, £1,684; total revenue, £17,057; working-expenses, £19,866; interest, £7,215: total loss, £10,024.

Although special facilities were given on this branch to passenger traffic, the returns from this source show a falling-off in revenue of £1,400 over the past three years. Your Commission recommends that the present passenger service be discontinued, and that a mixed train be run daily between Fairlie and Timaru, and *vice versa*. The requirements of goods traffic can be met by running a special goods service as required.

Estimated saving, £2,800 per annum.

Waimate Branch. (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	376	338	714	784	184	254
1928	358	286	644	714	181	251
1929	338	288	626	809	181	364
1930	274	213	487	741	188	442

The operations for the whole of the branch and for last year were as follows: Branch revenue, £3,563; feeder value, £2,768; total revenue, £6,331; working-expenses, £9,631; interest, £2,444: total loss, £5,744.

Your Commission recommends that the present daily service between Waihao Downs and Waimate (distance, 8 miles 21 chains) be discontinued, and that a goods service as required be run on this section. That the locomotive depot at Waihao Downs be closed and staff transferred. That the service between Waimate and Studholme Junction be reviewed and reduced to a minimum.

Estimated saving, £1,200 per annum.

Kurow Branch. (Distance, 37 miles 41 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	358	59	417	406	166	155
1928	296	48	344	436	162	254
1929	356	72	428	462	162	196
1930	350	63	413	498	176	261

The operations for the whole of the branch and for last year were as follows: Branch revenue, £13,295; feeder value, £2,399; total revenue, £15,694; working-expenses, £18,898; interest, £6,688: total loss, £9,892.

Your Commission recommends that the present passenger service be discontinued, and that a mixed train be run daily, which train will be substituted for the present passenger and goods service. It is further recommended that the line from Kurow to Hakataramea (distance, 1 mile 20 chains) be lifted, unless a satisfactory arrangement can be made with the local bodies concerned to bear a higher proportion of the cost of repairs to the bridges over the Waitaki River.

Estimated saving, £1,800 per annum.