

Kaihu Section. (Distance, 24 miles.)

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

Year.	Total Revenue.	Working-expenses.	Interest.	Total Loss.
	£	£	£	£
1927	303	426	330	453
1928	291	395	330	434
1929	281	456	330	505
1930	271	400	340	469

For year ended 31st March, 1930, the total operating revenue and expenditure over the whole of the section was as follows: Total revenue, £6,504; working-expenses, £9,596; interest, £8,160: total loss, £11,252.

In view of the heavy loss on this section the Commission recommends that a curtailed train service be put into operation and, unless the loss is decreased in the near future, consideration be given to the closing of the line. (See also page 46—Kirikopuni.)

Gisborne Section. (Distance, 60 miles.)

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

Year.	Total Revenue.	Working-expenses.	Interest.	Total Loss.
	£	£	£	£
1927	605	705	595	695
1928	573	731	595	753
1929	591	743	594	746
1930	536	681	613	758

The operating revenue and expenditure on the whole of this section for last year was as follows: Total revenue, £32,160; working-expenses, £40,882; interest, £36,780: total loss, £45,502.

The section extends from Gisborne to Motuhora and from Makaraka to Ngatapa, the latter line being worked for goods traffic only by a shunting service from Gisborne. The Gisborne–Ngatapa line was originally built as part of the “inland route” from Gisborne at a cost of £167,430, but with the definite abandonment of this route for the coastal route the necessity for maintaining the Ngatapa line practically disappears. A return of traffic covering two years shows a total tonnage of 24,658 tons, of which 21,900 tons consisted of road-metal from the Repongaere Quarry, which quarry is owned by the Public Works Department and leased to the Gisborne County Council. The passenger traffic on the branch averages twenty passengers per day, and the train service equals six return trips per week between Gisborne and Ngatapa.

The total revenue on the branch during the last two years represented £130 per mile per annum, while the expenditure charges (excluding interest) were £742 per mile per annum.

Your Commission recommends, in view of the heavy losses incurred for services to the Public Works Department and Gisborne County Council, such losses should not be borne by the Railways Department, and, unless the bodies concerned are prepared to take the line over from the Department, it should be closed.

With respect to the Gisborne–Motuhora line, if the settlers and others continue to support the road motor services in preference to the railway for transport, the position should be reviewed from time to time and consideration given to discontinue working this section.

The saving will amount to £2,000 per annum.