

Nelson Section. (Distance, Nelson to Kawatiri, 64 miles 2 chains.)

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

Year.	Total Revenue.	Working-expenses.	Interest.	Total Loss.
	£	£	£	£
1927	369	575	358	564
1928	332	584	376	628
1929	385	651	378	644
1930	403	648	389	634

The operating revenue and expenditure on the whole of the section for last year was as follows : Total revenue, £25,792 ; working-expenses, £41,496 ; interest, £24,896 : total loss, £40,600.

The loss on this railway is heavy, and will increase as it is extended. The service that is being run is in excess of requirements. We recommend that a daily mixed-train service be instituted between Nelson and Belgrove and a tri-weekly service Nelson to Glenhope. This will enable the locomotive depot at Glenhope to be closed. The adjustment of service will save a large number in staff personnel, the total saving in operation being approximately £6,000 per annum. Your Commission would not recommend discontinuing this diminished service at present, but suggests that the position be reviewed from time to time, and, should it be found that traffic still continues to decrease, the question of closing the line from Belgrove to Kawatiri be given serious consideration.

Picton Section. (Distance, 56 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	696	844	508	656
1928	689	748	508	567
1929	663	773	509	619
1930	708	842	525	659

The operating revenue and expenditure on the whole of the section for the last year was as follows : Total revenue, £39,648 ; working-expenses, £47,152 ; interest, £29,400 : total loss, £36,913.

The present train service is in excess of requirements, and your Commission recommends a substantial curtailment in order to secure economy. Motor competition in this district is very keen, particularly for passenger traffic, and it is in the passenger-train services between Blenheim and Picton where economy can best be made. The mixed-train service which runs between Blenheim and Ward daily should be reduced to a thrice-weekly service.

If these proposals are given effect to the estimated annual savings will amount to £4,000.

- (18) **To what extent it is possible and desirable, in the interests of the economic welfare of the Dominion, to co-ordinate rail and road transport, having due regard to the rights of owners of road transport services, the necessity of a satisfactory standard of service, and all other relevant considerations.**

If by co-ordination of road and railway services is meant the utilization of these means of transport to the best advantage of the community from an economic point of view, your Commission is of opinion that, under existing conditions, it is not possible to co-ordinate rail and road transport unless the full control and operation of all such transport is vested in one authority. The whole matter, however, is one which requires a large amount of careful study and investigation, which, in the time at our disposal, your Commission is unable to give.