

“(2) Where before the commencement of this Act work in connection with the construction of any Government railway or part thereof has been suspended and has not been resumed at the commencement of this Act, such work shall not thereafter be resumed until a report respecting such railway or part of a railway has been laid before both Houses of Parliament and a resolution authorizing the completion of such work has been passed by both such Houses.

“(3) At any time within one year after the commencement of this Act the Board may submit to the Minister a report on any railway or part of a railway then under construction (being a railway or part of a railway the construction of which was begun before the commencement of this Act) recommending that the work of construction be not further proceeded with or that it be carried out to such extent only as is recommended by the Board. The Minister shall as soon as practicable after receiving such report cause the same to be laid before both Houses of Parliament, and if both such Houses pass a resolution approving the recommendation of the Board no further work in connection with the construction of such railway or part of a railway shall thereafter be carried out save in accordance with the recommendation of the Board.”

The terms of section 20 of the Act, quoted hereunder, must ultimately be considered also in relation to lines at present coming within the scope of section 18. Section 20 is as follows :—

“The Board on being satisfied that any railway or part of a railway can continue to be operated only under conditions that will result in the net revenue therefrom being insufficient to cover the working-expenses thereof, or on being satisfied that the continued operation of any railway or part of a railway is otherwise not in the public interest, may cease to operate the same, and with the approval of the Governor-General in Council dispose of the land and all other property of the Crown in respect of such railway or part of a railway.”

At the outset the Board gave consideration to—

- (1) The Wharanui-Parnassus line (76 miles), on which work is proceeding.
- (2) The East Coast line (Napier-Gisborne), of which it may be said that there are four sections, namely :—
  - Napier-Putorino (38 miles 61 chains). (Open line—at present unworkable owing to earthquake damage.)
  - Putorino-Wairoa (33 miles 32 chains). (Under construction.)
  - Wairoa-Waikokopu (24 miles 35 chains). (Practically completed, but still under the control of the Public Works Department.)
  - Waikokopu-Gisborne (35 miles 40 chains). (Construction stopped last year.)
- (3) Kawatiri-Inangahua (47 miles 32 chains). (Construction stopped.)
- (4) Inangahua-Te Kuha (20 miles 6 chains). (Under construction.)
- (5) Waiotira-Dargaville line (31½ miles). (Open from Waiotira to Kirikopuni—14 miles. Construction completed between Kirikopuni and Tangowahine—10¼ miles—but being worked by the Public Works Department. Construction stopped between Tangowahine and Dargaville—7¼ miles).
- (6) Okaihau-Rangiahua line (14 miles). (Construction stopped.)

The Board deemed it essential to make an early inspection of the above-mentioned lines, and for this purpose paid visits to the respective districts to apprise itself fully as to—

- (1) The physical features of the routes :
- (2) The prospective value of the new sections of line to the open railway system :
- (3) Finally and fundamentally, in relation to all the works, whether they could be justified upon the grounds of sound and stable finance, having due regard to (a) the development of the country in so far as such development would be dependent upon a railway service, and (b) the cost of construction and the financial results of operating.