

The Board has carefully considered all features of the Clifford Bay proposal, and is of the opinion that the proposal for the establishment of an additional port at that place is not warranted and would afford no justification for the completion of the railway between Wharanui and Parnassus.

The Board had many representations made to it by persons and representative bodies, and many estimates were submitted which sought to justify the completion of the line on financial grounds. As was frankly admitted by one of the principal witnesses that appeared before the Board, estimates of this kind are necessarily more or less speculative. The Board, appreciating this fact, has endeavoured to avoid the liability of error that this procedure involves, and has preferred to base its judgment on facts of actual experience. The Board has therefore worked in this report on the basis of the actual results already achieved in the working of the railways in the South Island. It has not been considered necessary to refer in detail in this report to all the estimates submitted to the Board. Such procedure would unduly encumber the report, while serving no useful purpose. It has been found that when the estimates submitted have been brought to the test of comparison with actual results their unsoundness has become obvious. One estimate, for instance, shows a ratio of expenditure to revenue as low as 41 per cent., a figure that has not been attained in New Zealand and which could only be attained with an intensity and regularity of traffic that is not likely to be, even approximately, reached on the line in question.

The aspect of regularity is one that has a very direct bearing on working-costs, particularly in relation to this line, which, as its advocates indicate, would have to rely largely on business in live-stock. This class of business is seasonal and a one-way traffic; and while the needs of ordinary business could scarcely be met with a reasonable degree of service with less than one goods train per day, this minimum time-table would in the live-stock season require to be augmented by additional trains to meet the peak of the live-stock traffic.

The conclusion of the Board is that the completion of the railway-line between Wharanui and Parnassus is not justified, and that work thereon should be stopped. The Board has reached this conclusion with a careful regard to its obligations in its administration of the New Zealand railway system, and has not overlooked the question of service to the public and the industrial development of the country. If the Board could have found in the course of its examination of the problem of this railway that an immediate deficiency in operating results might within a time not too remote have been converted into a more favourable result through the development of trade and industry, it would have been well disposed to recommend completion of the line. The Board has, however, been compelled to conclude that neither the immediate nor the remoter prospect is sufficiently encouraging to justify the expenditure that would be involved in completing the Wharanui-Parnassus railway.

## PART II.—NAPIER-GISBORNE RAILWAY.

This line may be divided into four sections, viz.—

Section.	Miles	Ch.	
(1) Napier to Putorino ..	38	61	Open line.
(2) Putorino to Wairoa ..	33	32	Under construction.
(3) Wairoa to Waikokopu ..	24	35	Practically completed; being worked by Public Works Department.
(4) Waikokopu to Gisborne ..	35	40	Construction stopped.
	132	8	