

and this section of line worked for goods traffic only, the locomotive depot and train crews being transferred from Waihao Downs to Waimate to permit of more economical operation. As we still have a fair amount of passenger traffic between Waimate and main-line stations we inaugurated a bus service between Waimate and Studholme, this bus making suitable connections with the main-line trains.

*Kurow Branch.*—Our economy recommendations to the Government regarding this branch included the cancellation of the purely passenger services (which were not being sufficiently supported by the public) and working the line with "mixed" trains, and also provided for that portion of the branch from Kurow to Hakataramea—comprising 1 mile 20 chains—being closed owing to the very heavy cost of maintaining the two combined bridges over the Waitaki River.

The Government approved of the closing of the line beyond Kurow, and this portion has not been worked for traffic since the 14th July, 1930. Negotiations are under way between the Department, the local bodies, and the Highways Board regarding the bridges between Kurow and Hakataramea.

There was a considerable increase in the revenue on this branch for the financial year just closed. This, however, is mainly due to the heavy importation of material in connection with the construction of the Waitaki Hydro-electric Works, and cannot be taken as indicative of the normal earnings of the branch.

*Ngapara-Livingstone Branches.*—The Windsor-Tokarahi portion (distance 11 miles 66 chains) was closed down owing to the poor traffic and the meagre possibilities of the line. The Royal Commission in reporting on this portion of line recommended that it should not be reopened.

*Waikemo Branch (Dunback).*—The Commission recommended that the services on this branch be maintained provided the patronage continued, and we agreed with this recommendation. We had, however, during the year effected certain economies by reduction of maintenance staff, the withdrawal of the traffic staff from Dunback, and the elimination of car-haulage on the branch.

*Otago Central Line.*—Our proposals in connection with this line provided for a reduction in the train services. In previous years we had run what was known as a "summer" and a "winter" time-table—that is, during the summer months the passenger services were augmented to cater for the tourist traffic to and from the Cold Lakes District. With a view to economy the summer time-table was not introduced this year and the winter time-table has been maintained throughout the year. Other adjustments later made in the goods services permitted of additional economies being effected.

*Outram Branch.*—The Commission recommended abandoning passenger traffic and working the line for goods traffic only. As the loss of the passenger traffic would have offset any savings possible under this system of working, alternative proposals were introduced curtailing the services on the branch to one return service per day, while at the same time conserving the major portion of the passenger revenue. The branch-line engine and crew are now utilized to work a regular shunting service on the main line between Dunedin-Burnside and Mosgiel, replacing shunting services in that area and thus permitting of substantial savings in operating-costs.

*Roxburgh Branch.*—The train services and staff on this line have been considerably reduced.

*Tapanui Branch, Waikaka Branch, Switzers Branch.*—Owing to the passenger traffic on the Switzers and Waikaka Branches having fallen below payable quantity, the passenger facilities were abandoned on these two lines and the branches worked for goods traffic only. This permitted of a substantial saving in maintenance and operating costs, the standard of maintenance for a purely goods line being considerably less than for lines that have to carry passenger traffic. On the Tapanui Branch the services were also considerably reduced, but these services cater for both passenger and goods traffic.

*Glenham Branch.*—That portion of the Glenham Branch between Wyndham and Glenham was closed down in February last owing to the lack of support afforded the line and the poor prospects of developing additional traffic. This portion of the line for some years past had been worked on only two days per week for goods traffic. Between Wyndham and Edendale passenger facilities were also abandoned, and this portion of line worked for goods traffic only with main line services. The locomotive depot at Wyndham was closed down and the train crews transferred elsewhere, this permitting of a substantial reduction in the operating-costs of the branch.

*Seaward Bush Branch.*—Owing to a falling-off of traffic on this line, the services were reduced from six return mixed trains per week to four return mixed trains per week.

*Tuatapere—Oravia Extension.*—Our proposals contemplated closing this portion of line. The settlers, however, gave an assurance of their full support in future, and the Government decided to defer closing the line for another year after which period the position is to be again reviewed. The earnings on this extension are the lowest in New Zealand, being approximately £81 per mile per annum.

*Mararoa Branch (Mosburn Branch).*—Our proposals contemplated closing down this branch also, owing to the meagre possibilities of the line. The settlers, however, gave definite assurances of their full support to the line in future, and the question of closing it down was deferred for another year, when the position will be again reviewed.

*Forest Hill Branch (Hedgehope Branch).*—A substantial saving was effected on this branch during the year by closing down the locomotive depot at Hedgehope, transferring the crew to Invercargill, and working the branch with an Invercargill service for goods traffic only on three days per week. The passenger traffic, owing to the inroads of motor opposition services, had fallen to such an extent that there was no further justification for catering for it.

#### ISOLATED SECTIONS.

*Kaihu Section.*—The services hitherto maintained on this line consisted of one return service per day. Owing to the low traffic having fallen away to negligible proportions, the services were recently curtailed from six to four return services per week, and the surplus staff transferred elsewhere.

*Gisborne Section.*—The Ngatapa Branch of the Gisborne Section, comprising 11 miles 33 chains, was closed down. This branch formed part of the old inland route in connection with the extension of the line from Gisborne southwards towards Napier. With the abandonment of the inland route