

(3) *Wairoa-Waikokopu*. (24 miles 35 chains.)

	£
Capital cost	653,729
Expended to 31st March, 1931	616,559
Estimated cost of completion	£37,170

The cost of the Waikokopu Wharf and Breakwater (£59,531) is included in the foregoing figures.

The line was built principally for the transport of frozen meat and products from the freezing-works at Wairoa to the port of Waikokopu, and is operated by the Public Works Department, as is also the port of Waikokopu.

Waikokopu provides fairly good berthage for ships, except in southerly weather. Coastal vessels are berthed at the wharf, whilst ocean liners lie off, meat and other produce being taken out by lighters, which are sent from Napier as occasion requires.

The line was originally regarded as a branch line, but with the decision to abandon the inland railway route between Wairoa and Gisborne in favour of the coastal route it became an integral portion of the proposed railway route between Napier and Gisborne.

The meat-works at Wairoa were badly damaged by fire in February last. If they are not restored, the main source of revenue from the line will be lost and the necessity for keeping it open will disappear. Even should the meat-works resume operations, the line as a separate entity would not be justified.

Motor-lorries are now run between Wairoa and Waikokopu for most lines of traffic, and the only commodity that would of necessity have to be conveyed by rail is frozen meat. The revenue from that traffic would not justify operating the line as part of the railway system. As an alternative to the abandonment of the line, an arrangement might be come to with the meat company to lease it for use as a tramway for the carriage of the company's output.

(4) *Waikokopu-Gisborne*.

	£
Estimated capital cost	1,757,618
(or £48,823 per mile of line)	
Expenditure to 31st March, 1931	571,438
Estimate to complete	1,186,180

The suggested line is a continuation of the line from Napier to Wairoa, and is designed to give rail access to Gisborne. The length to be constructed is 35 miles 40 chains. Work was commenced in April, 1929, and stopped on the 14th January, 1931.

The route selected is along the sea-coast, and consequently serves the country on one side only, which for the greater part of the distance is steep and rugged. Only a few miles near Waikokopu and the area near Gisborne are suitable for close settlement. The coastal route represents a connecting-link between Gisborne and the North Island railway system rather than the means of opening up country along the route of the line for settlement.

The Board is of opinion that, notwithstanding the productivity of the Poverty Bay district, the volume of business that would be secured by the railway, having due regard to all relative factors, including competition by sea and road, would not give a financial return commensurate with the cost of the line.

Having considered the four sections separately, it is now necessary to deal with the Napier-Gisborne line as a whole.

A useful basis from which to commence consideration of the financial position would be the actual experience on the North Island lines. The gross revenue per mile on the North Island main lines, *excluding the non-paying branch lines*, was last year £3,533 per mile. The average operating ratio of working-expenses to revenue for the last three years was 83·8 per cent. The average annual interest charge for rolling-stock on North Island main lines was £186 per mile. The total capital cost of the completed line from Napier to Gisborne would be £4,927,505.