

has been contended that the fact that the proposed line will have Gisborne as its terminus, whereas there is no parallel circumstance associated with the Taneatua line, makes the comparison not a fair one as regards the proposed line. Against this, however, it is clear to the Board that the land along the route of the Taneatua line is greatly superior to that along the route of the Gisborne line. Except for the areas in the immediate vicinity of Gisborne and Wairoa, the country along the route of the Napier-Gisborne line is not first class, and much of it may be classed as inferior. On the other hand, the Taneatua line serves many rich areas in the vicinity of Opotiki, Opouriau Valley, Whakatane, and the Rangitaiki district, Tauranga, and Te Puke. The conclusion of the Board is that a comparison between the two lines would be a reasonably fair one. On the basis of the operating results of the Taneatua line for last year, the following statement shows what the results would be for the Napier-Gisborne line:—

				£
Working-expenses—133 miles at £956	127,148
Less revenue—133 miles at £568	75,544
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Operating loss—133 miles at £388	51,604
Less credit allowed for feeder value—133 miles at £88..	11,704
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				39,900
Add interest charges—5 per cent. on £4,927,505	246,375
Rolling-stock—£35 per mile	4,655
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Total loss per annum	£290,930
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The Board is definitely of opinion that the construction of the Napier-Gisborne line is not justified, and that work where now proceeding should be stopped.

PART III.—KAWATIRI-INANGAHUA.

The proposed line from Kawatiri to Inangahua would be approximately 47 miles 32 chains long, and would connect the Nelson Section with the main South Island railway system. The following is the position in regard to expenditure in connection with the construction of this line:—

				£
Estimated capital cost	..	..	..	1,853,000
Average cost per mile of line	..	..	..	38,604
Expenditure already incurred	..	..	..	256,000
Estimated cost to complete	..	..	..	1,597,000

The foregoing figures of the cost of the line must be taken as approximate only, as the location of the line between Murchison and Inangahua has not been finally surveyed, except for the first $3\frac{1}{2}$ miles from Murchison. This section of the line would run through the upper Buller Gorge, where construction work would be very difficult and costs proportionately heavy. From Kawatiri to Gowan, a distance of 3 miles 22 chains, the line has been completed, but is still in the hands of the Public Works Department. From Gowan to Murchison (17 miles 50 chains) the formation has been partly carried out, and it is estimated that the line could be completed to Murchison by an expenditure of approximately £284,000.

The Board proceeded to Nelson on Wednesday, 12th August, accompanied by the General Manager, and was met at Nelson by the Mayor of Nelson and representatives of various bodies in the district. The Board left Nelson the next morning by train for Glenhope, accompanied by Mr. G. C. C. Black, M.P. for Motueka, and other residents of the district, who were given the opportunity of conveying to the Board all the information they desired to give in connection with the matter under consideration. On arrival at Glenhope the Board proceeded by road over the route of the proposed line via Murchison, through the upper Buller Gorge, to Inangahua.

Consideration of the passenger business in regard to the proposed line does not afford much prospect of a volume of business that would justify the construction of the line. The route from Nelson to Westport and Greymouth is covered by a standard of road that is quite satisfactory for the traffic passing over it, and the business is at present being catered for by service cars. The