

ports certainly, but the road transport is in many cases beating the sea transport, and, in regard to passengers, the road caters for most of them, even although it is tortuous and contains several long steep hills. With a railway, the time of travelling would be shortened possibly by two hours or more from Gisborne to Napier, the riding would be more comfortable, and the cost considerably less.

The service-car charge at present is 25s. from Gisborne to Napier, whereas the rail fare would be 17s. 3d. first class and 11s. 9d. second class. The railway should, therefore, be able to get most of the passenger traffic, but there will need to be regulation of transport so that there is no cut-throat competition. The use of the modern rail-car should be an advantage on a line of this nature, as the running-costs would be much cheaper than those of ordinary steam trains for passenger services.

There will certainly be a certain amount of competition for passengers from the air, but I am optimistic enough to think that there will be a big increase in passenger traffic with the advent of a railway, and that the railway, under regulation and with an adequate and suitable time-table, will secure the bulk of this traffic. Moreover, there are certain attractions such as Morere Springs and Lake Waikaremoana that will attract visitors.

To indicate the benefits that the district would derive from a railway service, the Gisborne District Railway Committee had a report prepared [copy attached hereto] in which it was stated that the farmers would obtain lime and manure at greatly reduced rates, that their store sheep would be worth about 4s. per head more after paying railage, and cattle up to 10s. per head, and the cost of wool to Napier would be 6s. 9d. per bale by rail, as against 10s. 11d. by sea. It may be said that the freight on lime and fertilizers would not pay the Railways Department, but the national benefit from the use of these would be considerable from the increased production and the increase in population. The railway would ultimately benefit from the increased trade.

To support my contention that the Railways Board erred in its estimate of revenue from the railway, I would call attention to the following figures taken from the Local Authorities Handbook, 1935. I have taken the country served by the Waihi-Taneatua line as comprising the Tauranga, Whakatane, and Opotiki Counties and the included boroughs, and on the Gisborne-Napier Railway the Waikohu, Cook, and Wairoa Counties, including boroughs. There will, however, be a fair revenue to the latter line from the northern counties of Uawa, Waiapu, and Matakaoa, also the Waikare Riding of the Hawke's Bay County from Eskdale to Putorino :—

Counties (including Boroughs and Town Boards) served by the Waihi-Taneatua Railway.

—	Population.	Capital Value.	Sheep.	Horses.	Cattle.	Pigs.
		£				
Tauranga	13,440	3,548,418	93,223	3,567	82,663	20,715
Whakatane	7,990	2,887,544	50,016	2,937	71,771	20,298
Opotiki	5,690	2,037,779	105,272	1,701	36,561	8,257
	27,120	8,473,741	188,511	8,205	190,995	49,270

Counties (including Boroughs and Town Boards) served by the Napier-Gisborne Railway.

		£				
Waikohu	3,680	3,886,360	652,752	2,476	86,465	1,974
Cook	21,830	10,320,134	729,662	3,937	101,551	5,697
Wairoa	7,780	4,426,001	636,060	3,327	79,167	2,610
	33,290	18,632,495	2,018,474	9,740	267,183	10,281

And if the Northern Counties—Uawa, Waiapu, and Matakaoa—were added the figures would be—

..	42,440	£ 24,154,570	2,875,181	14,273	378,170	14,350
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It will be seen from the above figures that the revenue from this district for the railway should be much greater than the Railways Board's estimate. The