

near Makeraua, and several passengers suffered minor injuries. Traffic generally on 3rd February suffered delays. It was necessary to work all traffic between Auckland and Taranaki via Marton until 6 p.m. on 11th February, when the Stratford-Okahukura line was reopened. In the North Auckland area restricted train services operated between the 2nd and 14th February, normal running being restored on 15th February.

On 20th, 21st, and 22nd February, 1936, train services in the Canterbury and Otago Provinces were interrupted owing to numerous washouts and slips, the Main North and South lines from Christchurch, also the Cheviot, Oxford, Southbridge, and Methven Branches, and Midland line being affected for a few days.

BRANCH LINES.

The operating-revenue from branch lines totalled £321,690, a decrease of £841 (0·26 per cent.) compared with the previous year. The parcels and miscellaneous heads show small increases, but these increases are more than offset by a decrease of £1,251 in the goods revenue.

The operating expenditure was £434,445, an increase of £17,607 (4·22 per cent.) compared with the previous year. The 7½-per-cent. increase in salaries and wages would of course account for a portion of the increase shown.

The operating loss was £112,755 and interest charges amounted to £387,476, making a total loss of £500,231, as against a total loss for the previous year of £482,812, an increase of £17,419 (3·61 per cent.).

The decrease in revenue for the year's operations was entirely in the South Island, the total decrease there being £8,158, an increase of £7,317 being earned in the North Island.

The increase of £7,317 for the North Island branch lines was principally due to an advance in practically all classes of traffic on the Paeroa-Taneatua Branch. The increase on this section was £6,638, or 90·7 per cent. of the total North Island increase. The Kaikohe Branch showed an increase of £461, or 11·3 per cent., over last year, while the remaining branches showed slight variations only.

The decrease of £8,158 in the South Island branch-line revenue occurred as follows: Thirteen branches showed a total decline of £20,266, while the remaining eleven branches showed a total increase in earnings of £12,108.

The greatest increase in earnings in the South Island was on the Otago Central Branch, where the revenue increased by £10,391 (11·3 per cent.) over that of last year. This increase was confined entirely to goods traffic. The only other South Island branch line to show a fairly substantial revenue increase was the Milton-Roxburgh Branch, where an increase of £724 (5·36 per cent.) over last year was recorded.

The branch lines on which the main revenue decreases took place were—

Branch.	Decrease.	Percentage Decrease.
	£	
Rangiora—Oxford West	1,675	29·62
Kaiapoi—Bennetts	2,573	16·91
Waipara—Parnassus	524	8·08
Lincoln—Little River	4,723	25·58
Hornby—Southbridge	2,486	24·15
Rakaia—Methven	1,764	12·76
Washdyke—Eversley	4,169	31·74
Pukeuri—Kurow	666	13·20
Waiareka—Ngapara	907	6·23
Balclutha—Tahakopa		

On account of excessive rain this year the grain and stock seasons in the South Island were very much delayed, whereas in 1935 the season was early. The accounts for 1936 are therefore at a great disadvantage from a comparative point of view.

ISOLATED SECTIONS.

The results of operations of isolated sections were as follow:—

Kaihu.—Revenue amounted to £3,824, a decrease of £1,553 (28·88 per cent.). The decreased revenue was largely due to a fall in road metal and timber traffic.

Train-miles decreased by 42, or 0·31 per cent., while shunting-miles decreased by 235, the total engine-miles showing a decrease of 277, or 1·68 per cent.

Expenditure amounted to £6,463, an increase of £188 on the previous year.

The total operating loss for the year was £2,639, compared with £898 for the previous year.

Gisborne.—Revenue amounted to £19,171, a decrease of £123 (0·64 per cent.). Expenditure amounted to £23,438, an increase of £3,292 (16·34 per cent.), such increase being due to additional work being carried out on the permanent-way and to the transfer of a locomotive to the section. Two engines located on the section were also subjected to heavy repairs.

The operating loss on the section was £4,267, as compared with £852 for the previous year. The loss for the year 1932–33 was £4,519.

Nelson.—Revenue amounted to £11,930, an increase of £453. Expenditure was £17,804, an increase of £794. The operating loss was £5,874, compared with £5,533 for the previous year, an increase of £341.

Traffic on this section showed little variation. There was a falling-off in the passenger revenue, but this was more than offset by an increase in the goods revenue.

The increase in expenditure was principally due to increased track maintenance.