

An extensive rolling-stock construction programme is in hand to meet the increasing traffic, and arrangements had been completed for the construction of a large number of additional goods wagons in time for the busy season. Unfortunately, the delivery of material for the construction of these wagons was delayed owing to the high-pressure at which the British manufacturers have been working for some time past, and it was not possible to place any of the vehicles in traffic before the close of the financial year. Since then, however, the material has been received, and regular deliveries of the wagons have been made by our workshops. To date 500 new 12 ton wagons have been placed in traffic.

A considerable number of live-stock and insulated wagons were constructed during the year and a further heavy building programme of rail-cars, carriages, and all classes of wagons has been authorized. This programme will be proceeded with as soon as the necessary material comes to hand. Steady progress is being made in the matter of providing better seating, steam heating, and of carrying out general improvement to carriages.

BRANCH LINES.

The operating revenue from branch lines totalled £350,369, an increase of £28,679 (8·92 per cent.) compared with the previous year. There were increases under practically all heads, the main increase being £27,071 in goods revenue.

The operating expenditure was £494,979, an increase of £60,534 (13·93 per cent.) compared with the previous year. The restoration of salaries and wages to the 1931 level and the introduction of the forty-hour week accounted for the greater portion of the increase shown.

After allowing for the main line "feeder value" of branch line traffic the operating loss on branch lines was £88,802. Interest charges amounted to £386,864, making a total loss of £475,666 as against a loss of £435,585 for the previous year, an increase of £40,081 (9·20 per cent.).

Of the total increase of £28,679 in revenue £15,842 was earned in the North Island, the South Island contributing £12,837.

The increase in the North Island was principally due to an increase in practically all classes of revenue on the Paeroa-Taneatua Branch. In the South Island five branches accounted for an increase of £15,770, while three branches showed a decrease of £6,010. The majority of the other branch lines showed small increases.

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

Branch.	Increase.	Decrease.	Per Cent.
	£	£	
Paeroa-Taneatua	13,396	..	19·29
Te Roti-Opunake	979	..	19·79
Kaiapoi-Bennetts	1,133	..	28·47
Waipara-Parnassus	7,029	..	55·60
Hornby-Southbridge	3,437	..	25·01
Rakaia-Methven	1,962	..	25·12
Washdyke-Eversley	2,209	..	18·32
Wingatui-Cromwell	..	4,078	4·01
Milton-Roxburgh	..	1,270	8·93
Invercargill-Tokanui	..	662	7·63

ISOLATED SECTIONS.

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

Kaihu.—Revenue amounted to £4,325, an increase of £501 (13·10 per cent.). The increase in revenue was attributable to better passenger bookings and to larger quantities of road metal and timber being conveyed. Other commodities showed small increases.

Expenditure amounted to £8,116, an increase of £1,653 (25·58 per cent.). The increase was due to the restoration of salaries and wages to the 1931 level, to the introduction of the forty-hour week, to additional work on track-maintenance, and to heavy repairs to a locomotive.

The total operating loss for the year was £3,791, compared with £2,639 for the previous year.

Gisborne.—Revenue amounted to £18,552, a decrease of £619 (3·23 per cent.). The principal decreases were in wool and road-metal traffic.

Expenditure amounted to £23,368, a decrease of £70 (0·30 per cent.).

The operating loss on the section was £4,816, as compared with £4,267 for the previous year.

Nelson.—Revenue amounted to £11,334, a decrease of £596 (5·00 per cent.). Expenditure amounted to £19,966, and increase of £2,162 (12·14 per cent.).

Traffic on this section showed little variation. There was a falling off in goods revenue, which was principally due to decreased sheep, cattle, and coal traffic. The increase in expenditure was largely due to increased track-maintenance. Traffic transportation and locomotive transportation charges also increased on account of the restoration of salaries and wages to the 1931 level and the introduction of the forty-hour week.

The operating loss on the section was £8,632, compared with £5,874 for the previous year.

Pictou.—Revenue amounted to £33,839, an increase of £5,077 (17·65 per cent.). Expenditure totalled £34,092, an increase of £4,545 (15·38 per cent.).