

SESSION II.

1923.

NEW ZEALAND

RAILWAYS STATEMENT

BY THE MINISTER OF RAILWAYS, HON. J. G. COATES.

MR. SPEAKER :—

It has not been possible for me, during the short time I have held the portfolio of Railways, to review personally the many important matters connected with the administration of the State railways, as, apart from the heavy pressure of work due to the session, many of the problems are so extensive and far-reaching in their application that much careful study must be devoted to them before any material changes or improvements can be decided upon.

One does not need, however, to delve very deeply into the fundamental principles governing railway policy to realize the important part the railways have already played in the past towards bringing this Dominion to its present high state of productiveness, and to appreciate the value of the service to primary and secondary industries, and numerous other benefits that have been conferred upon our citizens. The general public have become so accustomed to generous concessions on the railways that the value of the services rendered is not so universally appreciated as it should be. It is well, therefore, that I should give a short *résumé* of the benefits conferred under the present policy, many of which, it is needless to say, would not be available if the railways were run on purely commercial lines.

ORGANIZATION.

From time to time suggestions are made in regard to having a greater degree of decentralization in the Department. The requirements of parliamentary control of expenditure, and the necessity for ensuring that there shall be so far as practicable a uniform policy observed by all responsible officers of the Department, impose certain limits upon decentralization which cannot be overcome. Within those limits, however, I desire to give the District Officers every possible opportunity to exercise initiative and self-reliance.

DEVELOPMENTAL.

The railways in New Zealand have never been regarded, or run, as a profit-making concern. Even if practicable, there is little doubt that such a policy would not meet with the approval of the people; nor, in my opinion, would it bring about any material improvement in the condition of affairs as a whole. If in the construction and working of the railways we were to be guided solely by considerations of financial return, much greater profits could be earned. But in my view this would not be utilizing the service in the true interests of the Dominion.

If further evidence were required to substantiate that conclusion, I need only draw attention to the statement in the General Manager's report with regard to nineteen branch lines—many of which have been in operation for a considerable period—which have failed to earn actual working-expenses, to say nothing of returning interest on capital. It is also shown that the mileage of the lines referred