

Invercargill.—Revenue, £537,652; increase, £10,171. Passengers decreased 33,105, and season tickets 749. Parcels, luggage, &c., decreased £769. Cattle and calves increased 882, and sheep and pigs 22,679. Timber increased 12,024 tons, and all other goods 27,591 tons.

Lake Wakatipu Steamers.

Revenue, £8,872; decrease, £478. Passengers decreased 3,884. Live-stock decreased 1,466. Goods decreased 189 tons.

Average Late Arrival of Trains, Year ended 31st March, 1924.

Year ended	Period ended													Average for Year, in Minutes.	
	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. 1.	Mar. 31.		
<i>Express and Mail Trains.</i>															
March 31, 1924	..	4-03	6-05	4-69	6-92	1-80	2-20	1-56	1-76	1-51	5-60	3-04	3-34	3-20	3-51
March 31, 1923	..	4-01	3-62	2-91	1-62	2-50	2-48	1-94	2-31	1-45	3-82	2-31	2-01	3-46	2-57
<i>Long-distance Mixed Trains.</i>															
March 31, 1924	..	4-63	5-59	4-61	3-50	2-02	2-48	2-29	2-84	3-17	6-22	6-37	6-18	5-49	4-26
March 31, 1923	..	6-96	4-92	2-65	2-77	2-00	2-67	2-49	3-22	3-26	4-21	4-00	4-21	4-33	3-66
<i>Suburban Trains.</i>															
March 31, 1924	..	1-42	0-88	1-18	0-80	0-57	0-40	0-42	0-43	0-46	0-78	0-51	0-64	0-80	0-71
March 31, 1923	..	0-82	0-73	0-70	0-62	0-42	0-37	0-60	0-58	0-46	0-62	0-66	0-59	0-78	0-61

FINANCE.

Various considerations connected with the system of financial control in the Department, such as the rendering of a commercial balance-sheet, and the making of provision for depreciation of plant, and other similar matters, raise the question as to whether the present system of dealing with the railway accounts is the best adapted to the circumstances of the Department. At present the Department's finance is dealt with merely as part of the general financial scheme of the Government. All the revenue received by the Department is paid into the Consolidated Fund, and all the working-expenses are paid out of that fund. Capital expenditure is obtained from the Public Works Fund or from special funds constituted by Statute.

I desire to record my opinion that the separation of the railway finance from that of the general finance of the Government would be distinctly advantageous. I have long held the opinion that the Department should have its own Capital Account and should control the expenditure therefrom, and that its system of accounts should be brought into line with those of an ordinary business concern. In expressing this opinion, however, I desire also to make it clear that the mere changing of the system of accounts would in itself be meaningless unless the change involved also a decision to work the Department on a commercial basis. Hitherto the policy of the Department has not been directed towards the achievement of the same ends as a commercial institution. The Department has, in fact, been regarded as more developmental in its purpose than profit-earning, and it seems to me that accounts kept on commercial principles would be misleading unless they were the expression of the result of activities conducted on the same principle.

At present there are many services performed by the Railway Department which are unremunerative and would be quite unjustified if the railways were worked on a commercial basis, but which have up to the present been considered to be justified in pursuance of the policy that the railways should be used for developmental purposes. The abandonment of this policy, as far as the Railway Department is concerned, need not, of course, involve the withdrawal of the concessions. It would simply mean that in its accounts the Railway Department would receive credit for the value of any such services rendered by it, under some such arrangement as is in operation in Victoria, where it has been enacted by Statute as follows:—

“In the following cases (that is to say):—

- “(a.) Where Parliament makes any alteration in the law which occasions any increase of expenditure by the Commissioners or any decrease of the railways revenue; or
- “(b.) Where Parliament or the Governor in Council directs the Commissioners to carry out any system or matter of policy which occasions or results in any increase of expenditure by the Commissioners or any decrease of the railways revenue; or
- “(c.) Where Parliament authorizes the construction of any new line of railway which, when vested in the Commissioners, does not produce sufficient revenue to cover the interest on its cost of construction and the expense of its maintenance, the annual amount of the increase of expenditure or decrease of revenue or of the loss resulting from such new line of railway shall be from time to time notified in writing by the Commissioners to the Auditor-General, and if certified by him shall be provided by Parliament in the annual Appropriation Act and paid to the Commissioners.”

If this were done I think there is little doubt that it would be advantageous both to the Department and to the country in general. Apart from other considerations, it would have the effect of bringing