

1930.
NEW ZEALAND.

RAILWAYS STATEMENT

BY THE MINISTER OF RAILWAYS, THE HON. W. A. VEITCH.

MR. SPEAKER,—

I have pleasure in presenting my first annual Railway Statement.

During the short period in which I have had the honour of administering the Department I have not had an opportunity of doing more than adopt such measures as have been necessary to effect immediate economy. No comprehensive changes of policy will be instituted until the report of the Royal Commission, which is now investigating the Department's operations, has been considered.

I submit hereunder the financial figures for the year ended 31st March, 1930.

The gross income from all sources was £8,288,116, an increase of £39,078 on that of the previous year, while the expenditure was £7,358,859, an increase of £509,476. The net earnings were £929,257, as compared with £1,399,655, a decrease of £470,398.

On the 31st March, 1930, the capital invested in the lines open for traffic, including the steamers and plant on Lake Wakatipu and other subsidiary services, was £57,787,671, as compared with £56,568,598 on the 31st March, 1929, an increase of £1,219,073 on the capital account of the previous year.

The increase in capital comprises £393,072, expended chiefly on rolling-stock and signal-construction, and charged against capital account under "Additions to open lines," and £824,496 expended under the Railways Improvement Authorization Act, 1914," on work such as new workshops, &c.

A sum of £699,177 was charged against revenue for depreciation and provision of renewals, and the amount expended from this fund was £339,635 for assets written off on renewals effected during the year. The accumulated credit balance in this fund at the 31st March, 1930, was £1,687,562.

The Finance Act, 1929, section 20, provides that interest will be charged on the total amount of capital moneys expended in respect of railways, reduced by the sum of £8,100,000. The interest charges, amounting to £2,132,324, have therefore been computed in terms of the Finance Act. The interest charges for the year ended 31st March, 1929, totalled £2,331,335, and the decrease in these charges for the year under review is £199,011. The deficit on account of revenue and expenditure on the year's working was £1,203,067, to which must be added the sum of £8,202, an adjustment of the branch-line debit for 1929, making a total deficit for the year of £1,211,269, an increase of £778,526 as compared with the results for the previous year.

The Finance Act of 1929 cancelled as from the 1st April, 1929, the credit which had been received since the 1st April, 1925, for the losses incurred in working certain branch lines and isolated sections, and this, together with the fact that the Railway Department was called upon to bear a higher proportion of the concession rates on fertilizers and lime, had a substantial effect on the deficit incurred in the past year's operations.