

1937.  
NEW ZEALAND.

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# RAILWAYS STATEMENT

(BY THE MINISTER OF RAILWAYS, HON. D. G. SULLIVAN).

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MR. SPEAKER,—

In presenting the following annual Railways Statement, covering the first financial year of operation since I assumed the portfolio of Railways, I have the honour to report that the financial year just closed has been one of great activity and substantial progress in all phases of railway working.

The marked improvement in the trading and industrial outlook of the Dominion which has manifested itself during the past year and the greatly improved economic conditions now prevailing generally are reflected in the financial returns of the Department. The revenue earned reached the high total of £7,790,651—£786,335 more than in 1935-36, and actually the largest earnings in any twelve months since the record year 1929-30.

The surplus of revenue over expenditure—viz., £903,858—has been secured notwithstanding the concessions granted to the staff in the way of wage and salary restorations and the general application throughout the Service of the principle of the shorter (forty-hour) working-week. Additional expenditure in respect of train-mileage, stores, and man-hours was also necessary to meet increased turnover of business, while, in addition, the financial commitments in connection with the programme of improvements in the standard of services and facilities upon which the Government has embarked as part of its general railway policy have also been met from revenue.

The infantile-paralysis epidemic which broke out in the South Island in December of last year adversely affected the passenger revenue to an extent of not less than £100,000.

The net revenue, although approximately £170,000 less than the average net earnings in the preceding three years, when wages cuts and other measures characteristic of the depression years were in force, is approximately the same as that earned in the 1929-30 year, before the depression had settled down, and is approximately £100,000 greater than the average earned in the three years from 1931 to 1933.

It should not be overlooked that up to the 31st March, 1936, the expenditure on wages and salaries was in the aggregate considerably reduced as a result of the "cuts" authorized by the legislation of 1931 and 1932. The full effect of these "cuts," and the policy of compulsory early retirements as applied to members with not less than thirty years' service, on the working-expenses of the Department is not, I feel sure, fully appreciated, and in order to facilitate a true comparison of the position during the years the "cuts" were in operation—i.e., 1932, 1933, 1934, 1935, and 1936—with the year under review I submit the following table setting out what the net earnings would have been had not wages and salary "cuts" to the extent