

3. EXPENDITURE.

The expenditure for working has absorbed 62·30 per cent. of the revenue, an increase of nearly 1 per cent. over the rate for the previous year (61·35). The increased rate is largely due to the Hawke's Bay and Rangitikei flood damages, necessitating unusually heavy charges for maintenance and renewals on the Wellington-Napier-New Plymouth Section.

The amounts chargeable to the expenditure, Working Account, are as follows :—

	1897-98.	1896-97.
In the Traffic Department	£232,646	£213,913
" Locomotive Department	274,633	256,368
" Maintenance Department	327,987	301,981
Management	41,062	39,072
	£876,328	£811,334
Less credit recoveries	19,137	22,280
	£857,191	£789,054

The percentage of expenditure to revenue received is as follows :—

	1897-98.	1896-97.
Traffic	16·91	16·63
Locomotives	15·21	14·82
Car and wagon repairs	4·75	5·12
Maintenance of way	23·84	23·48
Management { Head office	0·97	1·13
{ Departmental offices	2·01	1·90
	63·69	63·08
Less credit recoveries	1·39	1·73
	62·30	61·35
The train-miles run for 1897-98 were	3,666,483	
As compared with 1896-97	3,409,218	

Giving an increased mileage of 257,265

This increased train mileage is accounted for by the additional facilities afforded, and increased traffic.

The working expenses on account of locomotive power have increased from £190,543 in 1896-97 to £209,289 in 1897-98, an increase of £18,746. Of this amount £4,335 has been spent on new locomotive work which is being carried out in the New Zealand railway workshops, viz.: Two class U locomotives, and the conversion of nine small engines into engines of greater power, and more suitable to cope with the expanding traffic.

The cost per train-mile for locomotive charges has increased from 13·41 pence in 1896-97 to 13·70 pence in 1897-98, which is accounted for by increased loads and speed, heavy character of repairs due to insufficient number of engines, and work in connection with replacing old engines with new.

Car and wagon repairs cost about the same as the previous year, viz.: £65,344 for 1897-98, and £65,825 for 1896-97.

The conversion of old type passenger-cars and brake-vans to modern bogie rolling-stock has been steadily carried on. New standard draw-gear is being fitted to the old rolling-stock, and 117 new tarpaulins have been added. £3,938 on account of this work has been charged to working expenses.

The cost of maintenance of way has advanced from £301,981 in 1896-97 to £327,987 in 1897-98, an increase of £26,006, largely due, as before stated, to the heavy maintenance charges on the Wellington-Napier-New Plymouth Section.

The expenditure per mile of railway on maintenance of permanent-way for the past four years has been as follows :—

1894-95	£138·57
1895-96	£141·45
1896-97	£149·77
1897-98	£160·53

The increased rate per mile is attributable to the increasing age of the lines and the less generous expenditure of the past, and is a complete answer to the statements appearing from time to time that our railways are being starved in order to create a surplus for the time being.