

1931.
NEW ZEALAND.

RAILWAYS STATEMENT

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

MR. SPEAKER,—

In presenting the Railways Statement for the year ended 31st March, 1931, I have the honour to report that the gross income from all sources was £7,571,537, a decrease of £716,579 on that of the previous year, while the expenditure was £6,882,810, a decrease of £476,049.

On the 31st March, 1931, the capital invested in the lines open for traffic, including the steamers and plant on Lake Wakatipu and other subsidiary services, was £60,545,154, as compared with £57,787,671 on the 31st March, 1930, an increase of £2,757,483.

The increase in capital comprises £855,154, cost of the Eskdale-Putorino extension, 26 miles 74 chains, taken over on the 6th October, 1930, and £559,012 expended out of the vote for additions to open lines. This latter sum represents the provision of new rolling-stock, grade-casements between Crichton and Lovell's Flat, additional dwellings, improvements and extensions to buildings and plant, workshop equipment, rearrangement of station-yards, and other facilities.

Expenditure under the Railways Improvement Authorization Act, 1914, totalled £1,044,433. The new works carried out during the year included the completion of the new station and yard at Auckland, new goods-shed at Wellington, and reclamation for station-yard, Papatoetoe-Papakura duplication, reconstruction and strengthening of bridges, completion of Ravensbourne-Burkes Deviation, telegraph and telephone lines, safety appliances, and train-control.

A sum of £766,073 was charged against revenue for depreciation and provision of renewals, and the amount expended from this fund was £385,724 for assets written off. The accumulated credit balance in the Renewals and Depreciation Fund at the 31st March, 1931, was £2,067,910.

During the year ended 31st March, 1930, the cash resources of the Railways Department were exhausted as a result of the policy which required the Department to pay interest charges irrespective of the fact that the net earnings for the year were insufficient to meet the total interest debit. In order to meet this position a further amendment to the financial arrangements of the Department was made, and section 14 of the Finance Act, 1930 (No. 2), authorizes the Minister of Finance to reduce the interest charges on capital where the annual accounts of the Railways disclose that the full amount of interest cannot be paid out of the Working Railways Account.

The Finance Act, 1929, section 20, provided 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 computed in terms of the Finance Act, 1929, total £2,255,345, as against £2,132,324 for the year ended 31st March, 1930.