

1936.
NEW ZEALAND.

RAILWAYS STATEMENT

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

MR. SPEAKER,—

In submitting my first annual Railways Statement I desire to state that the financial results for the year ended the 31st March, 1936, give a clear indication of the improvement in the prosperity of the Dominion.

The gross revenue exceeded the gross expenditure by £1,051,477, after taking into account the additional cost involved (£161,555) in meeting the 7½-per-cent. increase in salaries and wages from the 1st August, 1935, and in providing a steadily improving standard of service to the people.

Following upon the restricted trading and commercial activities from which New Zealand is emerging, and in view of the adverse reactions upon railway traffic from this cause, the country has every reason to feel gratified that financial results of so satisfactory a nature have been obtained from our principal Department of State.

While the substantial financial improvement shown by the Department undoubtedly has an important significance, it cannot be regarded as the only yard-stick by which the efficiency of the Department, from the national aspect, should be measured. There are, indeed, many other considerations that should be taken into account in judging the value of the service rendered to the community by a State-owned railway when compared with the community service rendered by a privately-owned railway. I am convinced that so long as the policy of administering the railways conforms to the principle of "the best possible service at the lowest possible cost" it will be along the right lines and in the best interests of the people. The development of the railways of New Zealand has always been related to the social needs of the country, and this aspect of their operation must continue to play an increasingly important part in future. The trends of the times generally are towards the control of industry as an integral part of national planning, and a State-owned enterprise such as the railways, with ramifications affecting closely the social and industrial life of the people in every direction, must therefore be used to a far greater extent than previously as a general public utility if it is to function efficiently and successfully in this capacity.

As an example of the far-reaching influence of railway transport, it may be mentioned that the railway tariff affects even the prices the public pay for the food they eat, the clothes they wear, and the fuel that warms them. On this point I may say that the railway tariff is to be critically reviewed in terms of the Government's general policy, with a view to simplifying the classification and rates in line with present-day requirements.