

Operating Expenditure.

	1937-38.	Per Cent. of Operating Revenue.	1936-37.	Per Cent. of Operating Revenue.	1935-36.	Per Cent. of Operating Revenue.
	£		£		£	
Maintenance—Way and works	1,278,980	16·85	1,171,963	16·98	1,070,085	17·14
Maintenance—Signals ..	178,892	2·36	154,108	2·23	147,442	2·36
Maintenance—Rolling-stock ..	1,792,562	23·61	1,565,083	22·67	1,406,685	22·53
Examination, lubrication, and lighting of vehicles	78,727	1·04	65,048	0·94	57,599	0·92
Transportation—Locomotive..	1,624,383	21·40	1,347,129	19·51	1,144,037	18·32
Transportation—Traffic ..	2,090,471	27·54	1,797,058	26·03	1,465,052	23·46
General charges ..	78,787	1·04	69,691	1·01	63,664	1·02
Superannuation subsidy ..	168,983	2·21	168,305	2·44	168,629	2·71
	7,291,785	96·05	6,338,385	91·81	5,523,193	88·46

Maintenance of Way and Works.

The expenditure under this head amounted to £1,278,980, an increase of £107,017 (9·13 per cent.). Of the increase, the cost of concessions to the staff accounted for £88,558, brought about by the operation for a full year of the restoration of wages and salaries to pre-depression level, and the operation of the forty-hour week for the full twelve months as compared with seven months in the previous year.

Taking 1926 as the standard, and fixing the index figure for that year at 100 for the expenditure on maintenance of way and works and the average mileage of line maintained, the undermentioned summary shows the position over the past five years :—

			1926.	1934.	1935.	1936.	1937.	1938.
Total expenditure ..	..	..	100	87	92	94	102	112
Average mileage of line ..	..	..	100	104	104	104	104	105

Maintenance of Signals and Electrical Appliances.

The expenditure amounted to £178,892, an increase of £24,784 (16·08 per cent.). The principal increase was incurred in connection with the cost of various concessions granted to the staff in the way of improved wage and salary schedules and the operation for a full year of the shorter (forty-hour) working-week.

Maintenance of Rolling-stock.

The sum of £1,792,562 was expended under this head during the year, an increase over the expenditure for the previous year of £227,479 (14·53 per cent.).

The restoration of wages and salaries to the 1931 level operating for a full year compared with nine months in the previous year accounted for £13,056 of the increase, the forty-hour week operating for the full twelve months as against seven months in the previous year, entailed an expenditure of £50,916, while the salary and wage arrears debited but not paid on 31st March, 1938, amounted to £17,162, the total under these three headings being £81,134.

The following is a review of the expenditure under the various heads shown :—

Locomotive Repairs.—Expenditure under this head was £708,756, an increase of £68,546 (10·71 per cent.). This increase is made up as follows : Workshops repairs, £44,897 ; depot repairs, including work done in shops for depots, £32,780 ; repairs due to accidents, £2,769 ; depreciation, £2,423. A reduction in expenditure of £14,323 occurred in connection with conversions and renewals of locomotives.

The following table shows the cost of maintenance per locomotive and per locomotive-mile over a period of five years :—

1934.	Cost per Locomotive.					Cost per Locomotive-mile.				
	1935.	1936.	1937.	1938.		1934.	1935.	1936.	1937.	1938.
£	£	£	£	£		d.	d.	d.	d.	d.
869	855	1,016	1,117	1,228		9·27	8·44	9·42	9·61	9·82

Maintenance of Carriages, Vans, and Wagons.—The total cost of repairing and painting carriages and vans was £363,104, an increase of £55,028 (17·86 per cent.) over last year. The cost per vehicle-mile was 2·06d., as against 1·82d. for the previous year. The principal increases in expenditure were : Carriage repairs, £43,500 ; guards' van and postal-van repairs, £8,558 ; conversions and alterations, £1,313.

A total of 1,391 carriages received repairs in workshops during the year, of which number 1,089 were heavy repairs and 302 light repairs. Three hundred and forty-one vans received heavy repairs, as against 314 last year, while 161 vans received light repairs, as compared with 150 last year.