

On the other hand, railway tariff rates have not been raised since the outbreak of war, and the increased revenue has been obtained solely by reason of the quantity of traffic handled. Average wage-rates, prices of materials and coal, and other expenditures have increased steadily, and it seems likely that the price-level of wages and materials will remain on a level higher than that of the pre-war years. In fact, despite the high net earnings during the war, an examination of the position over a number of years shows clearly that there is a constant tendency towards a higher ratio between expenditure and revenue—*i.e.*, the return on the annual outlay shows a constant tendency to diminish.

It may also be expected that the community will continue to require a constantly improved standard of service, with an accompanying increase in expenditure. It may here be mentioned that it is recognized that the efforts of the railways have during the past four years been directed almost solely to furthering the war effort, and while, from this point of view, the performance has been most satisfactory, there have of necessity been deficiencies and inconveniences from the viewpoint of a peacetime standard. While the public have been appreciative of the position, there is the danger that the service given may gradually come to be taken as typical of railway service, to the detriment of the railways in the post-war years.

To meet the post-war position which I have outlined it will be necessary to make research into, and take vigorous steps to establish, an improved service and better and more efficient and economical methods of operation.

### CONCLUSION

I take great pleasure in acknowledging the efficiency and co-operation of all members of the staff. New Zealand has indeed been fortunate in having a railway personnel whose capability and loyalty have been so amply demonstrated under the exceptionally difficult conditions which have obtained during the past few years.



General Manager.

---