

the experience gained in the management of the bookstalls convinced the Board that much could be done under departmental control to improve both the standard of service and the financial return. So far as standard of service is concerned, there is no doubt at all that the bookstalls which are being operated by the Department have given a service superior to that which was previously provided. The layout, quality, and variety of the stock have been improved in every case, and the service to the public has been maintained at a high standard. On the financial side the returns have been satisfactory, as the following figures will show :—

				Former Private Rental.	Net Return to Railway Department, Year ended 31st March, 1934.
				£	£
Auckland	..	..	..	1,353	1,220
Thorndon	..	..	..	433	582
Christchurch	..	..	..	595	1,147
Ashburton	..	..	..	103	192
Dunedin	..	..	..	580	722

The private rental shown against the Auckland bookstall is that charged for the site in the old station which, owing to its position at the foot of Queen Street, received a fair proportion of trade from other than railway passengers and commanded a higher rental than would be obtainable from the site in the new station.

The Board is of opinion that the operation of the bookstalls is an integral part of railway operation in the sense that a complete service to the public cannot be given without the provision of bookstalls. It concludes, therefore, that there is no reason why the Board should not itself operate the bookstalls if the requirements of standard of service and financial returns are met. As the foregoing figures indicate, actual experience has left no room for doubt on these two points ; and the Board has therefore adopted a policy that, except in some isolated cases where it would not be an advantage to do so, the bookstalls are to be controlled by the Department's organization.

ROAD MOTOR SERVICES.

The year's operations resulted in a profit of £2,368, compared with £521 for the previous year. Details of the fluctuations in revenue and expenditure are set out hereunder :—

				1933-34. £	1932-33. £	Variation. £
Revenue	..	..	..	79,184	78,644	+ 540
Expenditure	..	..	..	76,816	78,123	—£1,307
Net revenue	..	..	..	£2,368	£521	+£1,847

It is to be noted that the net return shown above is calculated *after* interest has been debited on the capital invested in the services ; and allowance made for depreciation on vehicles and plant.

The total passenger journeys were 2,783,184, as compared with 2,740,263 for the year ended 31st March, 1933.

The results of operating the various services were as follow :—

NAPIER—HASTINGS.

				1933-34. £	1932-33. £	Decrease. £
Revenue	..	..	..	16,736	17,485	—749
Expenditure	..	..	..	16,185	16,688	—503
Net revenue	..	..	..	£551	£797	—£246

The decrease in revenue was occasioned by the completion of rebuilding operations following the earthquake. Consequent upon this falling-off in traffic, bus-miles were reduced by 7·73 per cent. causing a reduction in expenditure of £503. Eleven buses are now used on this service compared with twelve in 1933.

HUTT VALLEY.

				1933-34. £	1932-33. £	Variation. £
Revenue	..	..	..	55,519	55,652	—133
Expenditure	..	..	..	54,000	55,222	—1,222
Net revenue	..	..	..	£1,519	£430	+£1,089