

The following table furnishes statistics of locomotive operation for the last five years:—

	1938.	1937.	1936.	1935.	1934.
	d.	d.	d.	d.	d.
Cost per engine-mile	22·52	20·23	18·40	18·04	17·88
Cost per train-mile	30·04	26·84	24·51	23·91	23·68
Cost per engine-hour	233·26	212·03	193·42	190·78	189·87
Cost per 1,000 gross ton-miles	141·43	128·24	117·09	116·59	118·66
Engine-miles per engine-hour	10·36	10·48	10·51	10·58	10·62
Gross ton-miles per engine-hour	1,649	1,653	1,652	1,636	1,600

The cost per engine-mile increased over the previous year by 2·29d. (11·32 per cent.), due to increased wages-costs, the operation of the shorter working-week, and to higher fuel and stores costs.

Traffic Transportation.

The expenditure under this head was £2,090,471, as against £1,797,058 last year, an increase of £293,413 (16·33 per cent.).

Of the increase, salaries and wages accounted for £259,930. The restoration of salaries and wages operating for a full year, compared with nine months in the previous year, absorbed £30,002, a full year's operation of the forty-hour week as against seven months in the previous year accounted for £90,129, while the debiting on 31st March, 1938, of wage and salary arrears due but not paid absorbed a further £27,428. Man-hours reached the high total of 14,187,520, an increase of 954,081 (7·21 per cent.) as compared with last year.

Taking the year 1926 as the standard, and fixing the index figure for that year at 100, the following shows the position in respect of traffic-transportation expenditure over a period of five years:—

	1926.	1934.	1935.	1936.	1937.	1938.
Total expenditure	100	72	78	84	103	120

General Charges.

The expenditure under this head totalled £247,770, as compared with £237,996, an increase of £9,774 (4·11 per cent.). The increase was mainly due to salary restoration to the pre-depression level, revised salary schedules as from 1st April, 1937, and increased payments to the female staff.

SUBSIDIARY SERVICES.

Subsidiary Service Revenue.—The revenue from subsidiary services amounted to £1,042,361, as compared with £887,047 for the previous year, the figures for the past three years being as follow:—

	1937-38.	1936-37.	1935-36.
	£	£	£
Lake Wakatipu steamers	7,624	7,112	10,598
Refreshment service	142,786	103,351	89,132
Bookstall service	76,719	54,417	45,798
Advertising service	37,397	34,535	31,774
Departmental dwellings	130,683	131,187	129,255
Leases of bookstalls, &c.	20,292	19,020	17,909
Road motor services	276,527	198,751	103,280
Miscellaneous	350,333	338,674	333,052
	<u>£1,042,361</u>	<u>£887,047</u>	<u>£760,798</u>

Subsidiary Service Expenditure.—The particulars of the expenditure in connection with subsidiary services over a period of three years are as follow:—

	1937-38.	1936-37.	1935-36.
	£	£	£
Lake Wakatipu steamers	11,144	10,855	9,399
Refreshment service	140,937	101,125	84,976
Bookstall service	73,232	51,245	43,042
Advertising service	32,627	31,151	29,391
Departmental dwellings	183,182	164,746	156,692
Leases of bookstalls, &c.	13,929	12,233	11,464
Road motor services	254,553	177,053	94,682
	<u>£709,604</u>	<u>£548,408</u>	<u>£429,646</u>

The variations shown above are analysed under their separate heads later in this report.