

arrangements. It provides for concentrating on four main shops in the vicinity of Auckland, Wellington, Christchurch, and Dunedin, and the estimated cost of the proposals is as follows :—

	Auckland.	Petone.	Addington.	Hillside.
	£	£	£	£
Land, &c.	20,000	20,000
Buildings and lay-out	358,000	364,000	177,000	205,000
Machinery replacements	66,000	33,000	46,000	93,000
Additional machinery	45,000	23,000	22,000	44,000
Special machinery for new engines	25,000
Shifting-machinery retained	21,000	12,000	17,000	27,000
Hoisting and travelling gear	27,000	12,000	8,000	23,000
Shifting local traffic depot	8,000
	562,000	464,000	270,000	400,000

Grand total	£ 1,696,000
Say	1,700,000
Interest charges during construction	120,000
	1,820,000
Charge against working-expenses for shops and machinery discarded	320,000
Charge against Capital Account	£1,500,000

It is intended to spread the expenditure over a period of three years, as under : For the year ending 31st March, 1926, £300,000 ; year ending 31st March, 1927, £600,000 ; year ending 31st March, 1928, £600,000 : total, £1,500,000.

It has been decided to erect modern buildings and facilities on new sites for the Newmarket and Petone Workshops, and tenders will be invited for the construction of these works at an early date.

The savings that it is anticipated will be made possible are estimated as follows :—

	£
Locomotive repairs	84,000
Car and wagon repairs	92,000
New work	25,000
Interest on capital cost of additional rolling-stock made available	17,500
Rents from present sites at Newmarket and Petone	11,500
	230,000
Annual charges for interest, depreciation, &c.	115,000
Annual profit	£115,000

The above figures have been taken out on a very conservative basis, but even so it is estimated that the economies will repay the total cost in 10·7 years after completion.

The whole is based on the most modern methods in operation throughout the world.

The reports presented by the technical officers of the Department showed that under existing conditions locomotive repairs were taking nearly double the time taken in shops equipped with modern facilities, as will be seen from the following comparisons :—

	New Zealand Shops.	Modern Shops.
Complete overhaul	55 days	40 days.
Heavy repair	36 „	23 „
Light repair	14 „	9 „

In money value the position may be stated as under :—

Complete overhaul : Petone, £814 ; Newmarket, £930 ; Addington, £1,208 ; Hillside, £1,149 ; modern shop, £330.