

British manufacturers are given a preference over those from foreign countries, and the total amount spent in countries outside the Empire is only about £17,000, practically all of which is spent in the United States of America and nearly half of it is for lubricating-oils.

A reorganization of the Stores Branch has been put in hand. In order that the reorganization may be dealt with on up-to-date lines the Comptroller of Stores and a Stores Audit Inspector were sent to Australia to investigate the methods in use there. Following on the information gained, the main stores are being remodelled on a system which will enable a thorough check to be kept on all supplies. Substores are also being provided at all workshops and depots for the purpose of enabling the Stores Branch to control the supplies until they are actually required to be put into use.

Previous to the war, stores were procured under contracts for definite terms. Owing to the want of stabilization in prices that followed on the outbreak of the war this method of procuring stores had to be abandoned, but consideration is now being given to a return to this system, and to that end arrangements are being made under the ægis of the Stores Control Board to reconstruct the contract schedules and to standardize as many of the items as is practicable, so that common contracts may be let for the regular requirements of all Departments of State.

The effect of this should be not only to afford all Government Departments the benefit of purchasing on a large scale, but also to improve the facilities under which stores are obtained for this Department. It will also relieve the Railway Stores Branch of a considerable amount of detail work that is now performed in connection with supplies for other Departments of State.

#### SAWMILLS.

The Mamaku Sawmill produced 4,124,301 superficial feet of sawn timber during the year. The Profit and Loss Account shows a net profit of £455 12s. 7d. after allowing interest and depreciation. The values of issues of timber from Mamaku to the construction branches totalled £34,503 14s. 10d.

The Frankton Junction sawmill is supplied from the logging areas of Pokaka and Erua. At Pokaka the logs felled totalled 3,600,182 superficial feet; at Erua, 3,617,283 superficial feet. At Frankton Junction the sawmill converted logs to 4,331,322 superficial feet of sawn timber at a cost of £41,084 2s. 10d. The Profit and Loss Account for the year, after all charges have been met, shows a profit of £1,241 8s. 6d. The value of issues of timber to the construction branches totalled £140,533 9s. 10d.

It is, of course, not intended that the sawmills should make profits. The mills serve a useful purpose to the Department in providing a sufficiency of timber of the special sizes and qualities required for the Department's work, and any gain is to the construction branches.

#### BRANCH LINES.

The loss, including interest, on the branch lines enumerated below was £247,810, of which £197,817 represents interest at  $3\frac{3}{4}$  per cent. A statement showing the operation-costs is given below:—

Branch Lines.	Net Revenue.	Loss on Working.	Loss, including Interest.	Average per Mile of Line.		
				Revenue.	Working- expenses.	Interest.
	£	£	£	£	£	£
Waiuku .. .. .	32	..	8,096	466	464	660
Waitara .. .. .	..	2,370	3,938	1,320	1,847	348
Toko .. .. .	..	20,424	47,997	279	473	655
Foxton .. .. .	566	..	1,585	626	597	112
Greytown .. .. .	..	1,919	2,425	262	901	169
Eskdale .. .. .	..	5,410	11,903	179	641	555
Eyreton and Oxford..	..	3,788	10,253	186	256	120
Cheviot .. .. .	..	3,142	16,973	316	388	316
Little River .. .. .	534	..	4,099	376	352	207
Southbridge .. .. .	4,424	..	761	846	672	204
White Cliffs .. .. .	..	705	1,879	315	377	103
Methven .. .. .	93	..	3,198	398	394	149
Springburn .. .. .	..	11,315	14,050	233	259	100
Fairlie .. .. .	1,639	..	4,846	432	387	180
Waimate .. .. .	..	3,615	5,883	336	620	178
Kurow .. .. .	..	1,016	6,724	299	326	153
Ngapara and Livingstone	..	3,600	10,420	208	342	254
Waihemo .. .. .	..	809	2,234	160	254	165
Otago Central .. .. .	14,958	..	41,437	640	538	384
Lawrence .. .. .	..	2,035	14,009	453	512	346
Tapanui .. .. .	..	3,729	8,743	286	429	192
Waikaka .. .. .	..	1,375	4,232	208	317	227
Switzers .. .. .	..	1,687	3,858	149	272	159
Glenham .. .. .	..	3,938	7,184	220	644	349
Seaward Bush .. .. .	2,279	..	5,213	483	413	229
Forest Hill .. .. .	..	3,173	4,350	188	438	93
Mararoa .. .. .	..	468	1,520	115	162	104