

The following decreases and increases are shown when compared with the figures for year ended 31st March, 1928 :—

	Increase.			Decrease.		
	£	s.	d.	£	s.	d.
To merchants, manufacturers, and others in New Zealand ..	45,610	14	3	..		
Through High Commissioner .. .. .	287,601	2	3	..		
Material manufactured in railway workshops ..	1,620	2	1	..		
Coal and coke .. .. .	..			100,042	1	6
Stationery .. .. .	..			7,271	15	3
For manufactured and used material recovered from other railway branches .. .. .	36,280	1	7	..		
	<u>£371,112</u>	<u>0</u>	<u>2</u>	<u>£107,313</u>	<u>16</u>	<u>9</u>

The increased expenditure under the heading of “ High Commissioner ” payments is accounted for by the extra payments made for—

	£
New workshops plant and electrical material .. .. .	198,119
Electric locomotives for workshops .. .. .	49,600
Garrett locomotives .. .. .	39,882
	<u>£287,601</u>

Purchases within the Empire amounted to £2,434,077, and from other countries (principally United States of America) £53,288.

During the year contracts were made for workshops machinery and electrical equipment totalling £103,736, of which £87,875 were placed within the Empire and £15,861 in other countries (mostly United States of America).

The decreased expenditure in connection with coal payments is accounted for by the smaller stocks held at the 31st March, 1929, as compared with the previous year, and also by the greater use made of New Zealand coals.

The policy of using New Zealand timbers wherever possible has been systematically carried out. Large orders were placed during the year for totara, silver-pine, and puriri sleepers. These orders had the effect of helping unemployed bush-workers during a rather difficult season.

A contract for the supply to all Government Departments of iron and steel manufactured in New Zealand was made with the Otago Iron-rolling Mills, Green Island, Otago, through the Stores Control Board for the period 1st June, 1928, to 31st May, 1930.

Condemned tarpaulins, unfit for repair, are now being sold to private parties. The orders for these tarpaulins largely exceed the supply available.

A Tenders Control Committee, the personnel of which is the Chief Engineer, Chief Mechanical Engineer, Chief Accountant, Signal and Electrical Engineer, and Comptroller of Stores, has been set up to consider all tenders and quotations for the supply of stores and material required for the Railway Department's use.

#### COAL-SUPPLIES.

A comparison of the purchases of New Zealand and imported fuel for five years ended 31st March, 1929, is as follows :—

Year.	New Zealand. Tons.	Per Cent. of Total.	Imported. Tons.	Per Cent. of Total.	Total. Tons.
1924-25 .. .. .	94,351	23·16	313,107	76·84	407,458
1925-26 .. .. .	85,393	23·49	278,076	76·51	363,469
1926-27 .. .. .	187,793	49·30	193,163	50·70	380,956
1927-28 .. .. .	288,646	65·50	152,025	34·50	440,671
1928-29 .. .. .	356,724	84·25	66,675	15·75	423,399

The total consumption by the Department for the year was 428,522 tons, involving an expenditure of £735,215, or an average of £1 14s. 3d. per ton.

The sums expended in the purchase of fuel were as follow: Imported fuel, £132,136; New Zealand fuel, £576,136.

The labour troubles in Australia have caused the Department's reserve stocks of hard coal to be seriously depleted; and, though the supplies of New Zealand coal continued during the year to be satisfactory, the unsuitability of the local coal for storage purposes makes it essential that reserve stocks must be built up immediately, and every effort has been made to deal adequately with the situation. It is satisfactory to note the increased use which has been made of New Zealand coals.

#### FURTHER UTILIZATION OF NEW ZEALAND TIMBERS.

During the past year investigations have been made by the Departmental officers, in conjunction with the officers of the Forestry Branch, with a view to a further utilization of New Zealand timbers for rolling-stock purposes.

These investigations have shown that it is necessary to adopt a process of kiln-drying, in order to make it possible to make the fullest use of New Zealand timbers for these purposes. The reports also show that by treating such New Zealand timbers savings can be effected, apart from the benefit to the industry in the country.

In the North Island the kiln-drying capacity required amounts to 1,000,000 sup. ft. per year, and in the South Island 750,000 sup. ft. per year. This amount would be purchased in New Zealand in place of timber now imported from Australia.