

*Cars and Vans.*—The direct cost of maintaining cars and vans decreased by £4,070, but additional overhead charges (£9,763) and increased contributions to Car Renewal Fund (£5,241) are responsible for an increased expenditure of £10,934.

*Wagons.*—The greater number of wagons requiring repair increased the expenditure on this account by £9,821. The balance of the increase (£33,745) is due to contributions to Wagon Renewal Fund (£15,198) and additional overheads (£18,547.)

The increased cost of maintaining rolling-stock is due to two main causes—viz., greater provision for renewals and overhead expenses arising out of the workshops reorganization. It is anticipated that expenditure under this heading will remain somewhat above normal until the reorganization is completed.

*Locomotive Transportation.*

	1928-29.	1927-28.	Decrease.
Total expenditure .. .. .	£1,583,769	£1,599,564	£15,795
Cost per engine-mile .. .. .	23·49d.	24·52d.	1·03d.

*Locomotive-running Statistics.*

	1928-29.	1927-28.	Increase.	Increase.
	Number.	Number.	Number.	Per Cent.
Total engine-miles .. .. .	16,183,798	15,658,700	525,098	3·35
Total engine-hours .. .. .	1,635,310	1,598,358	36,952	2·31
Gross ton-miles .. .. .	2,326,926,374	2,218,085,881	108,840,493	4·91

The ratio of increase in engine-miles is higher than in engine-hours, giving indication of greater efficiency in handling the traffic.

Averages :—	1928-29.	1927-28.
	d.	d.
Cost per engine-mile .. .. .	23·49	24·52
Cost per train-mile .. .. .	34·20	35·42
Cost per engine-hour .. .. .	232·44	240·18
Cost per 1,000 gross ton-miles .. .. .	163·35	173·08
Engine-miles per engine-hour .. .. .	9·90	9·80
Engine-miles per locomotive-day .. .. .	79·20	78·40
Gross ton-miles per engine-hour .. .. .	1,423	1,388

The principal variations in locomotive transportation costs were an increase in drivers' and firemen's wages of £25,000, and a decrease in fuel of about £40,000. Increased train-services chiefly accounted for the increase in wages. Particulars regarding fuel are as follows :—

Total Tons.		Total Cost.		Locomotive Coal Haulage in 1000's of Net Ton-miles.	
1928-29.	1927-28.	1928-29.	1927-28.	1928-29.	1927-28.
409,677	402,005	£726,430	£768,357	44,670	36,762

The total number of tons consumed increased by 7,672 tons, or 1·91 per cent., while net ton-mileage of locomotive coal hauled increased by 21·5 per cent.

There has been a saving in cost of fuel consumed of about £40,000, against which has to be set the increased haulage (7,908,000 net ton-miles) resulting from the increased use of New Zealand coal. Allowing for this at, say,  $\frac{3}{4}$ d. per net ton-mile, it will be seen that there has been a saving on account of fuel of about £15,000.

*Traffic Transportation.*

1928-29.	1927-28.	Increase.
£1,825,965	£1,760,459	£65,506

The principal variations under this heading are as follow :—

Publicity and Commercial Branches account for about £10,000 increase. These are two new branches that have been brought into being as a result of the conditions now obtaining. Expenditure in respect thereof will tend to increase with the greater pressure of competition.

The introduction of the train-control system, scale increases in salaries, and printing and advertising account for an increase of about £11,000.

Under the subheading of "Station Expenses" an increase of approximately £26,000 is accounted for by the addition of the East Coast Main Trunk line to the working railways system, the working of Middleton marshallng-yard, and increases in goods-shed and wharf working-expenses due to shipping traffic at Lyttelton.

Under the subheading of "Train Expenses" there is an increase of £12,600, principally on account of the additional week-end excursions that have been run, the inauguration of night trains in the South Island, the opening of the East Coast Main Trunk Railway, and the appointment of train attendants on the mail and express trains. Miscellaneous expenses increased by £4,700 on account of the Glenhope-Murchison cartage contract. This is an arrangement that was entered into whereby a cartage service was instituted between the places mentioned, the charges between Glenhope and Murchison being on the basis of railway rates. The sum mentioned represents the deficit incurred by the Department on account of that service.