

about their tractive effort ; most of the difficulty having arisen in connection with their coal-consumption. This can only be finally adjusted by exhaustive trials under working-conditions. No effort will be spared to bring them to a satisfactory state of efficiency.

MOTIVE POWER.

During the year one of the Department's Mechanical Engineers has been abroad looking into the latest developments regarding motive power, including such matters as the application of the Diesel engine to traction. This officer obtained a large amount of very valuable information, and the data which he was able to obtain indicate that the time has not yet arrived in the development of the application of the Diesel engine to traction when we would be justified in adopting it. This officer was able to make contacts while abroad which will enable us to keep closely in touch with motive-power developments, so that we shall be in a position to obtain full and first-hand information as to what is being done in this connection in other parts of the world.

CONCLUSION.

In conclusion, I desire to express to all members of the Service my appreciation of the manner in which they have carried out their difficult duties. I know I can rely on the entire Service to exercise such discretion in expenditure of money and use of materials as will ensure that all increases of revenue and economy measures will be available to put the Department into a more stable financial position.
