Having regard to the reorganization of telegraph and telephone facilities which has been proceeding during the past year, and general repair work on signals and interlocking, the maintenance of which cannot be deferred for any lengthy period without interfering with the safe working of trains, the expenditure in this branch has been kept within reasonable limits.

Maintenance of Rolling-stock.

The expenditure under this heading totalled £1,270,585, a decrease of £232,113 (15.45 per cent.) compared with the previous year. The average annual expenditure in this branch for the five years ended 31st March, 1930, was £1,460,114, and the figures for the past year represent a reduction of 12.2 per cent. on this amount.

 $\hat{\mathbf{A}}$ review under the various headings is as follows:—

Locomotive Repairs.—The expenditure totalled £550,401, a decrease of £118,925 (17.77 per cent.) compared with the previous year. During the year 443 engines were passed through the shops, of which number 189 received a complete overhaul. In the previous year 529 were repaired, of which total 207 received a complete overhaul. During the previous year the accumulated arrears of overhauls were not overtaken until August, and this caused last year's figures to be higher than would otherwise have been the case. Another factor contributing to the decline in the number of locomotives repaired is the decrease in traffic which has resulted in a reduction in engine-mileage, and, as the time when engines fall due for shopping is largely determined by the mileage run, the number due for overhaul during the year was less than would have been the case had traffic been normal.

A comparison of engine-repair average costs shows the following:

Class of Engine Repairs.				1931. Average Cost.	1932. Average Cost.	Reduction per Cent.	
Heavy				£ 1,424	£ 1,219	14.4	
Medium				790	616	22.0	
Light		• •	• • •	99	71	28.3	
Boiler repairs	••	••		175	146	16.6	

While a 10-per-cent. reduction in wages was effective for the year ended 31st March, 1932, it will be noted that the total cost comprising wages, materials, and overhead was in each case reduced by more than 10 per cent.

The average mileage run by engines before being forwarded to the workshops for heavy repairs during the year was 76,570 miles in the North Island and 74,536 miles in the South Island. For the

year ended 31st March, 1931, the mileage was 76,577 and 70,509 respectively.

Maintenance of Carriages, Vans, and Wagons.—The total expenditure for the repairs and painting of carriages and vans was £251,175, a decrease of £25,612 compared with the previous year. A total of 1,751 carriages was repaired, of which number 1,315 received heavy repairs. During the previous year 2,013 carriages were repaired, of which 1,403 received heavy repairs.

During the year 902 carriages and vans were painted.

The expenditure on maintenance of wagons totalled £446,878, a decrease of £84,072 (15.83 per cent.) compared with the previous year. 17,293 wagons passed through the shops. The corresponding number in the previous year was 19,272.

Examination and Lubrication and Lighting of Rolling-stock.

The expenditure on examination and lubrication of rolling-stock was £32,121, a decrease of £9,733 compared with the previous year. The decrease under this heading is principally due to the decline in traffic causing a substantial reduction in car and wagon mileage.

The expenditure on the lighting of coaching vehicles decreased by £8,294, the principal cause of this decrease being the fitting of vehicles to burn coal-gas instead of Pintsch gas.

Locomotive Transportation.

The expenditure under this heading was £1,195,151, a decrease of £321,875 (21.22 per cent.) compared with the previous year. As a result of the decrease in traffic, engine-mileage declined during the year, the total mileage run being 13,845,996 miles, a decrease of 1,772,810 miles (11.35 per cent.) compared with the previous year.

The amount of coal used was 350,347 tons, a decrease of 60,655 tons compared with the previous

year, and the cost of this fuel was £535,283, a reduction of £144,974.

The following table furnishes statistical information regarding locomotive transportation:—

		1932.	1931.	1930.	1929.
Cost per engine-mile	 	20·73d.	23.31d.	23.98d.	23·49d.
Cost per train-mile	 	27.92d.	31·72d.	32.79d.	34.20d.
Cost per engine-hour	 	213.29d.	233.98d.	237·31d.	232.44d.
Cost per 1,000 gross ton-miles	 	144.16d.	160·71d.	163.97d.	163∙35d.
Engine-miles per engine-hour	 	10.29	10.04	9.90	9.90
Gross ton-miles per engine-hour	 .,	1,480	1,456	1,447	1,423