

At the present time the position may be summarized as follows:—

Approximate annual cost of additional four hours per week per man .. .. .	£ 230,000	Reductions recommended by the Board .. .. .	£ 15,360
Cost of concessions recommended by Board .. .. .	25,172	Cost of amount of time worked between forty-four and forty-eight hours per week prior to strike .. .. .	63,500
Balance in favour of Department	17,008	Estimated value of increased output of work—	
		Permanent-way .. .. .	68,000
		Locomotive and Maintenance Shops .. .. .	96,600
		Traffic and miscellaneous .. .. .	28,720
	<u>£272,180</u>		<u>£272,180</u>

It is anticipated that most of the surplus staff will be absorbed in a year. In the case of the locomotive and maintenance staff absorption would extend over a longer period, but the services of the surplus will be utilized in connection with railway-improvement works which are being put in hand in various parts of the Dominion.

Based on conservative estimates, the position from the point of view of *expenditure* may be expected to be somewhat as follows:—

Cost of additional four hours per week per man .. .. .	£ 230,000	£
Cost of concessions recommended by Board .. .. .	25,172	
	<u>255,172</u>	
<i>Less—</i>		
Estimated cost of time between forty-four and forty-eight hours that would have been worked under forty-four-hour week .. .. .	63,500	
Savings resulting from recommendations of Board .. .. .	15,360	
Estimated saving by absorption of extra staff during year, say .. .. .	50,000	
	<u>128,860</u>	
Actual increased expenditure during year .. .. .		<u>£126,312</u>

As has already been stated, the position so far as actual outlay is concerned will be a constantly improving one until all the effects of the alterations become fully operative. In addition, the Department will obtain service for the increased expenditure—in fact, it will receive an excess as shown in the first statement above.

The estimated total cost of all the claims made by the A.S.R.S. and placed before the last Board was slightly under £600,000.

The above statements have been worked out on the basis of Second Division men affected, including the workshops men, who are to be given an opportunity of deciding by ballot whether they will accept a forty-four-hours week with forty-four hours' pay, or a forty-eight-hours week with forty-eight hours' pay. Should they accept the forty-four-hours week the figures shown above would require to be amended accordingly.

#### COMMERCIAL BRANCH.

With the advent and rapid development of motor transport in the Dominion, and the steady increase in sea-borne traffic, it has become abundantly clear that if the Railways are to hold their own in open competition for traffic, commercial methods would have to be adopted so far as that may be possible in a State-owned enterprise.