

very careful consideration of circumstances associated with the transfer of particular members, and I wish to place on record my hearty appreciation of the invaluable services rendered by the Workshops Committees in solving the serious problems that were inseparable from these transfers. These committees were constituted at each workshops centre, and to them was delegated the duty of considering all representations from members regarding their transfers. The committee discharged their difficult task most conscientiously and thoroughly, and achieved results that could not possibly have been obtained in any other way. The general acceptance by the men of the decisions of the committees has demonstrated the soundness of the judgments arrived at, and the result has been, as I hope and believe, as satisfactory to the men as it certainly has been to the Department.

In my Statement for 1925 I indicated that provision was being made for the adoption of accurate costing-methods and production schedules. These are now in full operation, and the new shops will start off with fully trained staff in both these connections. The results achieved so far are sufficient to indicate that the savings anticipated have not been overestimated. For instance, in the four main workshops where the new modern machinery on the first year's quota was temporarily installed, and where production schedules were introduced to route the progress of the work, the number of days engines were out of service under repairs has been reduced from fifty-five days (1925 average) to thirty-eight days for a complete overhaul, from thirty-six days to twenty-four days for a heavy repair, and from fourteen days to eleven days for a light repair. These reduced figures represent the average of all the engines passed through the main shops during the past year.

As an example of the results of improved methods and facilities, the building of two hundred J sheep-wagons at Newmarket Workshops has shown what has even already been accomplished. These wagons were a duplicate of similar previous orders, so that an accurate comparison can be made. The cost of wages per wagon in 1928 was £50 5s. 11d., as compared with £67 14s. 7d. previously. A reduction of 27 per cent. is thus shown.

The foregoing is what may be regarded as a typical case of the saving which it is confidently estimated will result from the workshops reorganization.

USE OF NEW ZEALAND COAL.

It is the Government's policy to use upon the railways as large a proportion of New Zealand coal as can be warranted by the general economics of the fuel situation from time to time. The economic factor must, therefore, be considered as governing the application of this general principle in regard to the use of native coal, and must be taken as an explanation of any fluctuations recorded in the proportions of native and imported coals used when comparisons are made as between one year and another.

For instance, present quotations indicate that Welsh coal can be landed in the Dominion at a price equal to that paid for the best New Zealand coal, and, with definite knowledge of the high qualities of the Welsh product and its suitability for our requirements, it is clear that consideration must be given to the alternative of importing by those responsible for coal-purchases.

The following figures, however, supply convincing proof that the Government has succeeded in its special efforts to make New Zealand coal the principal fuel in use on the railways.

Comparison of Quantities of New Zealand and Imported Coal purchased.

Year.	New Zealand.	Imported.	Total.	Percentage of
				New Zealand Coal to Total.
	Tons.	Tons.	Tons.	
1924-25	94,351	313,107	407,458	23
1925-26	85,393	278,076	363,469	23
1926-27	187,793	193,161	380,954	49
1927-28	288,646	152,025	440,671	65.5