

Actually the quantity of New Zealand coal used declined by 71,940 tons of soft coal and 9,380 tons of hard. Compared with last year, 55,467 more tons of imported coal were used and 23,405 more tons of fuel oil.

The proportion of soft coal used decreased from 60·65 per cent. last year to 50·75 per cent. this year, and as a result the increased efficiency value of the coal actually consumed compensated in some measure for the decreased total tonnage. Nevertheless, the difficulty of supplies continued to cause the greatest anxiety, and steps have been taken since the end of the financial year to secure such supplies of British, Indian, and South African coal as may be procurable.

The following table shows for the same years the consumption of coal from the point of view of efficiency and economy :—

Year ended 31st March,			Steam-engine Miles (000's). (Coal-burners.)	Pounds per Engine-mile.	Steam Gross Ton-miles (000's).	Pounds per 1,000 Gross Ton-miles.	Percentage of Soft Coal used.
1940..	..	..	17,069	65	2,828,326	390	39
1941..	..	..	17,072	69	2,991,761	396	44
1942..	..	..	17,368	69	3,078,801	391	43
1943..	..	..	18,840	73	3,467,082	395	45
1944..	..	..	18,955	75	3,562,997	399	55
1945..	..	..	16,087	80	3,117,337	415	64
1946..	..	..	16,804	81	3,281,499	416	66
1947..	..	..	16,403	81	3,243,256	410	61
1948..	..	..	16,329	78	3,110,857	409	51

An indication of the efficiency of hard coal compared with soft is given by the fact that in the South Island, where only 37 per cent. of soft coal was used, the consumption per 1,000 gross ton-miles was only 375 lb., compared with 430 lb. for the North Island, where the proportion of soft to hard coal was 58 per cent., and 409 lb. for the whole system.

Despite difficulties, good progress was made during the year with the conversion of further K and KA class locomotives to oil-burning. At 31st March, 1948, a total of 34 oil-burners were in service, 32 having been converted this year. Fuelling facilities were installed to enable these locomotives to operate generally from Paekakariki to Frankton Junction and on the Napier and New Plymouth lines.

Unfortunately, the cost of oil fuel rose sharply during the year and is now almost double last year's cost per ton. The unit costs are, however, still lower than those for American coal.

WAGON SUPPLY AND UTILIZATION

Record goods tonnage was carried under difficult operating conditions arising from shortages of staff, coal, and rolling-stock.

A very acute wagon-supply position has gradually been eased towards the end of the year by the importation of LA wagons from Great Britain. Up to 31st March last, 1,209 of the 3,000 LA wagons ordered had been put into service, and, in addition, 233 wagons of the same type were manufactured in our own workshops. On the other hand, shortages of staff in the workshops has interfered with wagon-repair work and the number of wagons awaiting repairs in the North Island has increased during the year. During the year, the number of wagons passed through the workshops decreased by 352 and those receiving heavy repairs decreased by 233.

This acute wagon-supply position has been brought about by a number of factors. The demand has, of course, increased enormously, while the supply received a severe check during the war years and subsequently due to shortages of man-power and materials. Then, again, several factors have retarded the effective use that could be