

SAWMILLS AND LOGGING AREAS.

The Department's sawmill at Mamaku produced 2,824,670 superficial feet of sawn timber during the year from logs felled in the Mamaku Bush area.

After allowing £3,922 for interest and depreciation, &c., this sawmill shows a net profit of £913 on the year's working.

The value of the timber issued during the year from the Mamaku mill was—

	£
To the construction branches, &c.	26,310
To stocks at the Department's stores	18,200
To other Government Departments	1,245
Cash sales to private parties	13,582
Total	£59,337

At the Frankton Junction sawmill, which supplies the requirements of the Architectural Branch in connection with the Department's house-building programme, 5,566,448 superficial feet of sawn timber were produced from logs felled in the Department's bush areas at Pokaka and Erua.

After allowing £6,276 for interest and depreciation charges, the Frankton Junction Sawmill shows a net profit of £2,865 on the year's operations.

The following issues were made from this sawmill during the year :—

	£
To stocks at the Department's stores	71,832
To construction branches, &c.	80,002
To other Government Departments	219
To cash sales to private parties	310
Total	£152,363

In the Pokaka Bush area the logs felled and crosscut during the year totalled 3,805,948 superficial feet, and in the Erua Bush area the logs felled and crosscut during the year totalled 3,603,301 superficial feet. Practically all this timber was forwarded to the Frankton Junction Sawmill, freight charges being debited to the Sawmill Account.

The sawmills at Mamaku and Frankton Junction were established to ensure the supply of the Department's requirements in respect of New Zealand timbers.

The sawn timber is issued to the construction branches at approximately the cost of production, and the sawmills are not carried on with the object of making profits.

STORES.

The amount expended in connection with the purchase of railway stores and materials totalled £2,278,116 16s. 10d.

Payments were divided as follows :—

	£	s.	d.
To merchants and manufacturers in New Zealand	1,625,409	18	9
To Great Britain and oversea British Dominions	609,827	19	10
To stores and services, railway workshops	42,878	18	3
Total	£2,278,116	16	10

The policy of giving preference to (a) stores manufactured in New Zealand, and (b) to stores manufactured within the Empire, has been steadily continued during the year.

No pronounced difficulties have been experienced during the year in obtaining adequate supplies of stores and material necessary to maintain the railway services, and, taken on the whole, prices have been more stabilized than in any year since the war.

The work of standardizing and rebuilding the tender schedules has been completed in such form as will make them available not only to the Railway Department but to all other Departments of State. The schedules, which are comprehensive in their contents, are now in the hands of the Government Printer for printing in tender form. The conditions of contract under which tenders will be called have been revised and brought into more general application as covering the requirements of all Departments. This work has been done under the ægis of the Stores Control Board.

Arrangements have been put in hand to substantially increase the proportions of New Zealand coal to be used in all districts and to correspondingly reduce importations from overseas.

Taking the year as a whole the average consumption of coal was 7,700 tons per week.

The work of reorganizing the Stores Branch, which actively commenced in August, 1925, has been steadily continued, and is now well advanced along lines that will prove of benefit to the Service, and result in a more effective control of stocks on hand. Standard racks, unit piling, and bin-card systems have been introduced and are being extended to all main stores, sub-stores, and depots. Maximum and minimum quantities are being fixed and listed in respect of all items regularly held in stock, and this system will be extended throughout the whole railway system in such a manner as to define the kinds and to set a recognized limit upon the quantities of stores to be held in every district and division of the Service. The whole of the stocks of every kind of stores not actually in use or in course of being put into use will then be under the control of the Stores Branch.