

I hold the view that social service and commercial efficiency are not in any way incompatible so far as the successful operation of the national transport system is concerned. In the first place the more the railways are used the lower is the unit cost of the services that they render, and, approached from this angle, there are many new possibilities of traffic developments both in passengers and goods from which a good commercial return may be obtained. In the second place, provided sound administration and modern accountancy practices are applied, the railways can be maintained at a high pitch of efficiency and at the same time render a maximum of social service to the State.

I anticipate that in the not-distant future the travel facilities of the railways will be expanded in a way that will enable the great mass of the people to enjoy them, and that a much increased goods tonnage in the products of primary and secondary industries will be secured by a liberal tariff and generally improved transport facilities.

CHANGE OF CONTROL.

In order to carry out the Government's policy regarding railway administration and development it became necessary, soon after my acceptance of the portfolio of Railways, for certain portions of the Government Railways Act and its amendments to be repealed. The Government Railways Amendment Act, 1936, was accordingly passed. This Act abolished the Government Railways Board and placed responsibility for the administration of the Railways with the Government through the Minister of Railways and the General Manager as from the 1st April, 1936.

THE MAMAKU SAWMILL.

Early in the present year the question of reopening the Railway Department's sawmill at Mamaku, a mill which had been closed two years previously by the Railways Board, came up for consideration, and, after a very careful investigation of the whole matter and in accordance with the recommendation of the General Manager, the mill was reopened on 15th June. The reopening of this sawmill has given employment to a total of fifty-five employees, who, with their wives and families, are now settled in the vicinity. The mill is giving a very satisfactory output of timber from the Department's own land, one of the best rimu-forest areas in the Dominion. It is estimated that the output from the mill will reach 4,000,000 ft. per annum, all of which is needed in meeting the Department's own timber requirements. The price at which the timber is being produced compares very favourably with that ruling in the privately-owned mills of the Dominion.

STAFF ORGANIZATIONS.

Representatives of the various staff organizations of the Department took an early opportunity of meeting me after I assumed office, and gave assurances of their good will towards the Government and of co-operation in the initiation of any efforts to aid in the advancement of the Service. I need hardly say that I appreciate the friendly attitude of these organizations. It will be helpful in enabling the Government to carry out its policy so far as the operations and activities of the railways are concerned. Instead of looking upon the railways as a system of transport which has outlived its usefulness, I hold strongly to the view that there is great scope for their further development. In the railways there are still vast untapped resources of service to the people. It will be my aim to help in liberating these resources, and in this work the attitude adopted by the members of the Service is very important.

CONCESSIONS TO WORKERS.

The inauguration of the forty-hour week brings into prominence the apparent anomaly of differential rates in suburban areas as between those whose work commences at 8 a.m. or earlier and those workers whose employment commences later than 8 a.m.