

I am inquiring into the system of keeping the pattern-book, and any alterations that are found necessary will be made.

With respect to the Board's recommendation that repair-work should be completely separated from new work, I can only repeat the remarks I have already made under this head—namely, that such a system is impracticable under the present conditions existing in this country. The Board appears to be under a misapprehension in regard to the manufacture of new work. This class of work is already done to limit-gauges and standard templates. The amount of manufacturing undertaken in the shops is altogether insufficient to justify the setting-up of a store, in which various parts of locomotives, &c., would be stocked and drawn thence for erection or completion of machines as required. The mere establishment of a store in itself involves a very large expenditure.

The present conditions under which the various parts of stock of a given type are made to a standard permits of interchange of parts, and all parts are at the present time manufactured at a rate which keeps pace with the men engaged in the erecting, and this is undoubtedly the most economical system to adopt under present conditions.

The abolition of the existing tool-room and instead thereof the establishment of a well-equipped room, furnished with modern tool-room machines, is no doubt desirable if all the conditions were favourable, and this is one of the questions that has been under consideration on several occasions in connection with the scheme of shop-reorganization that has been contemplated for some years past, but which has had to give way to more urgent and important work for financial reasons.

The system of cost-keeping, as already pointed out, efficiently meets the requirements of the New Zealand Railways for the reasons already given. The card system has, after investigation, been found unsuitable for our requirements. If the new work were entirely separated from repair, and the whole of the operations necessary were performed under the one roof, the card system of cost could no doubt be brought into operation. I have, however, no hesitation in saying that such a system would not be found to be more efficient or any more simple than the present system, and, as a matter of fact, the New Zealand Railway method of keeping shop accounts has been adopted by at least one of the Australasian States after full investigation. I do not consider the appointment of a Costs Clerk to each shop a matter of necessity from an economical or efficiency point of view. All the data that is necessary is fully provided for, and is readily available at the hands of the responsible officers who control the section in which the various workshops are situated.

Discipline: With regard to the movements of the staff at Addington, I disagree entirely with the conclusions of the Commissioners. The evidence of the Engineer and the various foremen was emphatic on the point that, taken as a whole, the amount of work done by the men was satisfactory. Similar testimony was also given by independent witnesses: It was further shown that the men, as workmen, compared favourably with day-workmen in America, although it was admitted that the American piece-workmen were quicker.

The Board's conclusion that centralisation of the control of the staff has taken all power and authority out of the hands of those directly in charge of the men, and so militated against the proper carrying-on of the work, has evidently been based on insufficient knowledge of the matter. Those directly in charge of the men have all the control that is essential for the maintenance of proper discipline, and I do not agree with the conclusion of the Board that a great improvement in staff would be effected if Workshops Managers were held personally responsible for the results obtained by the shops and given greater powers of control.

The system of staff control advocated by the Board has been tried, but was not satisfactory, for reasons that are set out clearly in the statement I placed before the Board on the 29th March. I then pointed out that the practice for many years was to allow officers in charge of districts, workshops, and large stations at which a number of men were employed, to engage on their own responsibility any men who were required to fill vacancies that occurred on their respective staffs; but that system did not work satisfactorily, for the reason that men who were considered unsuitable for employment in one locality not infrequently went to another, and were taken on without proper inquiry being made as to their qualifications and eligibility; in other words, there was absolutely no standard. The same difficulty was found to exist in connection with the punishment of men for offences committed against the regulations or for dereliction of duty. Some of the officers went to the extreme, and inflicted penalties which in many cases were not justifiable, and were, moreover, out of all proportion to the offence committed. Others, again, took an extremely lenient view, and passed over in the lightest manner gross breaches of the regulations which should have been met by severe punishment, and in respect to which dismissal would in some cases have been quite justifiable. A further disadvantage of the subject that militated severely against the men was the fact that promotions were more rapid in some districts than in others. This not infrequently resulted in a man who was not thoroughly efficient receiving promotion in one district, while a more efficient man in another district was kept back. The position became so acute that in 1889 it was decided to concentrate the staff arrangements at the Wellington Headquarters, and since 1896 the staff appointments and arrangements have been governed by the regulations under the Government Railways Classification Act. The object of the Act was to secure uniformity, and this can only be done by concentrating the staff-work and directing it from one central office, as has been the practice for the last thirteen years. An independent system of staff control by district officers, which proved unsatisfactory when the staff of the New Zealand Government Railways numbered less than 3,000 persons would, in my opinion, be an utter failure when applied to a staff which now numbers 13,000 men. The fact that, in respect to the Addington Workshops, the Locomotive Engineer, on whom devolves the responsibility of making recommendations as to the suitability of the men who are engaged on instruction from the Head Office, has recommended fully 75 per cent. of the tradesmen to be placed in the first grade is, in my opinion,