From this it will be seen that of the eleven unsuitable men only four were included in the list furnished by the Head Office, and seven were from among the men in respect to whom the local officer had had an entirely free hand. This does not indicate that the men whose applications have been dealt with in accordance with the regulations of the Department have been of an inferior class, or that the method under which their appointment is arranged is detrimental to the interests of the Department.

With respect to the opinion that has been expressed as to the probationary period for apprentices, it is only necessary to point out that for many years apprentices were indentured immediately they joined, but after mature consideration it was decided, in consequence of some of the lads who had been taken on for certain trades afterwards manifesting a desire to be transferred to other trades, that it would be in the interests of the Department and the lads to have a probationary period during which it could be ascertained whether they had a predilection or otherwise to the trade to which it was pro-

posed to apprentice them.

Since 1905, 203 lads have completed their apprenticeship with the Department. Of these, nine have been retired, and 194 still remain on the staff. This does not indicate that the probationary period is insufficient. I should add to this that when an apprentice has completed his time—it is usually five years, sometimes five years and three months—his services are reviewed, and if he has attended to his duties and made satisfactory progress in every respect, and is described as a first-class workman, he gets the minimum rate of pay for journeymen—9s. 6d. per day. In some cases where a boy has been apprenticed to the trade of moulding he does not like the work. As a matter of fact, every boy in New Zealand wants to be an engineer, and that is a fitter, and there is a natural disposition on the part of lads to become fitters. In some cases we do transfer them from one trade to another, and if a boy who has been apprenticed, say, to the carpentering for one year, and serves the balance of his time (four years) as a fitter—in certain cases they do not turn out satisfactorily. But in no case do we retain any boy, except under exceptional cases, beyond the apprenticeship period unless he is a first-class workman. There are cases in which these apprentices, who have perhaps spent a year in another trade, have not turned out satisfactorily, and as a rule we dispense with their services. The Department does not encourage transferring from one trade to another, because it recognises that five years is none too long for a lad in which to learn the trade of fitting.

Of 234 tradesman at Addington, 175 are in the first grade, receiving the pay of 10s. to 10s. 6d. per day; 59 are in the second grade, in receipt of 9s. 6d. per day. Of these 59, 46 are lads who have served their apprenticeship at Addington, but who, on account of their service, have not yet worked through to grade 1. Of the remaining 13, 7 are sailmakers who, prior to April last, had never been recommended for a higher pay than 9s. 6d. per day. This leaves only about six tradesmen in the second grade who did not start in the Department as apprentices. Machinists, strikers, and holders-up number 122, only 36 of whom are in the second grade. Of the total number of tradesmen, 75 per cent. are in grade 1, 25 per cent. in grade 2. Of the machinists, &c., 71 per cent. are in grade 1, 29 per cent. in grade 2.

As the fixing of the grades and pay of the respective employees depends almost entirely on the recommendation of the local officer, and he has recommended fully 75 per cent. of his men to be placed in the first grade and receive pay accordingly, it must be conceded that the present system of appointing the staff has given highly satisfactory results. It certainly cannot be contended that it has resulted in a poor class of labour being employed without impugning the bona fides of the recommenda-

tions made by the local officer as to the grading and pay of the men concerned.

The members of the Railway staff throughout the whole of the Dominion have to be dealt with fairly and equitably, and strictly in accordance with the Classification Act and the regulations made The controlling of a body of some 13,000 men is a matter of very great difficulty. It involves a mass of detail-work that can only be perfectly understood and fully realised by those who are daily dealing with the matter. Divisional officers concern themselves only with those matters that come under their immediate jurisdiction. They do not look at the matter from the broad point of view that has to be taken by those who are controlling the whole staff, and who are responsible for the general working of the system as a whole, and for seeing that, as far as is humanly possible, each unit of the service is dealt with fairly and equitably, and from a common standpoint, and on his merits. more intimate the knowledge of the difficulties that have to be contended with, the more apparent the necessity for directing the whole of the staff operations from the Head Office becomes. superfluous machinery. Every instruction that is in operation has been inaugurated for the purpose of securing efficiency, and a proper control of the staff and the expenditure by the General Manager who is responsible in respect thereto, and the statistical figures that have been quoted above in respect to the staff at the Addington Workshops alone amply demonstrate the fact that excellent results are obtained under the existing arrangements.

The following figures, which show the wages expenditure in connection with the Addington Workshops during the past five years, are a clear indication that all reasonable requirements have been met, and in the instances where the views of the local officer have not been concurred in with respect to the granting of increases in staff there has, in every case, been a good and sufficient reason for the action

Year.							Wages Expenditure. £
1905				 			58,149
1906				 			 59,728
1907				 			 67,876
1908				 			 74,663
1909	•			 • •	• •	• •	 88,393
	Ţotal	• 1	, ,	 11	1, 1	* 1	 348,809