17. The General Manager said he had heard that Price Bros. stood to lose on their contract, and believed that you were prepared with a statement to that effect?—That is another matter I have dealt with in my address.

18. It has been stated by a witness that discontent is, or was, rife at Addington at a recent date. Do you know anything of this discontent?—I know nothing of it, and, further than that, from inquiry I have made, I think the discontent, if there has been any at all, has been of very, very small dimensions. I think it has arisen simply from the fact that certain allowances were made by Act to men for specially skilful work, and at the beginning of the granting of this allowance certain men profited and certain others did not, and those who did not profit naturally made application for the consideration of their particular claims. These claims were considered, and were found to be justly based, and were dealt with satisfactorily. I believe that is the only scintilla of discontent that existed there, and I believe it was made much more of than it had any right to be.

19. What is your opinion of the working of the Classification Act ?—I think that has been very completely dealt with by the General Manager, and I do not think I can add any views of value beyond

that. Mr. Ronayne has explained the matter in a way that leaves very little for me to say.

20. It has been stated that a scheme for electrifying Addington shop was prepared some years

ago. Has this dropped out of view ?-Not at all. I have dealt with that in my address.

- 21. What is your experience of the working of the staff system, especially as regards the control of men by foremen and managers?—I have no direct experience. I do not deal with the staff other than to recommend to the General Manager on the matter of numerical strength. Supposing the Newmarket Workshops, by reason of a temporary pressure of work, wanted, say, five blacksmiths and five strikers temporarily, after the application was made by Newmarket it would come to me for my recommendation. I might and should be in possession of the necessary knowledge as to what the state of work was in every other Workshop. It might so happen that at that particular time Petone, on account of certain work being almost completed, was in a position shortly to spare five blacksmiths and five strikers, and therefore, instead of taking on five or ten new men at Newmarket, I should recommend the General Manager to arrange to transfer the work to Petone, where they already had a staff qualified to deal with it. We have over a thousand men in our combined shops, and it does not always follow that, because one shop is not able to do one lot of work with its present hands, that work cannot be satisfactorily undertaken in one of the other shops without an increase in the hands employed.
- 22. You have not found that the power of foremen and managers was weakened in any way by the existence of the staff system?—The matter has not been reported to me. It would not be reported to me in any case. Matters dealing with the staff are reported to the General Manager's office, and would not come under my review.

23. It was not a matter of your own observation, when Locomotive Engineer, that the staff system had the effect of weakening the control of foremen and managers?—It is the duty of foremen to report immediately any deficiency in the staff under them. If it is their duty to report it, and they do not report it, then they are blameworthy.

24. We heard that gear had been taken off engines at Addington to supply Messrs. Price Bros. Can you tell why this was done?—Yes. Messrs. Price Bros.' contract to build locomotives provided that they could purchase certain portions of the engines from us, we undertaking to supply these on certain dates, or, at any rate, as required. It has happened that by reason of the non-arrival of certain material—owing to delays in London or in transit; in one case by reason of the loss of a ship—we have had to take gear from our own engines in order to keep our bargain with Price Bros.

had to take gear from our own engines in order to keep our bargain with Price Bros.

25. Are these fittings supplied at specified rates?—They are supplied at rates enumerated in the plans and specifications. For the information of the Commissioners I have had these extracted and summarised in a convenient form. [Summary put in.]

26. Are those rates found to be payable rates?—Yes.

- 27. A charge of 15 per cent. is made to cover fixed or overhead charges at Addington. Can you tell us how this sum is arrived at—what it includes?—Yes. In that connection I might say that that 15-per-cent. rate was fixed on the recommendation of a special Royal Commission set up in 1876 to deal with Railway matters, and has been in practice from that time to the present. The items charged against this 15 per cent. are as follows: Watching shops; storeman's wages; repair and Workshop engines; general charges, Workshops (includes cost of upkeep of machinery and tools, coal for smith's fires, and pumping water); fire-brigade practice; foremen's wages; jury and witness pay (amount received by employees is collected and credited to this order); time of employees attending Appeal Board; stationery for Workshops; holiday pay; contingency vouchers; wages of shunter, Addington Yard; apprentice accident pay; apprentice sick-pay; apprentice holiday pay; clean up shop-yard; pack and unpack effects of Workshop employees transferred; work Workshop steam-crane. I might explain that if an employee goes away as a witness or as a juror and is paid a fee, and at the same time receives his salary during the time he is away, when he comes back he pays in the amount he has received by way of fees.
- 28. Are blacksmiths' steam fires not a charge against the shop?—No. We make a special charge in certain cases, but usually for repair-work and small work it is impossible to debit the coal against each individual job, and it is charged against the smith's shop. In specially big jobs the coal is charged to the order-number.
- 29. Does experience show that this 15 per cent. is sufficient to cover all this?—Our experience is that it does. I have in my hand particulars for several years back, and in each case, and up to the present time in this current year, we find that the amount has fully covered the charges against the particular item. I might possibly, for the information of the Commissioners, give a little information which I have in my possession with regard to the practice elsewhere in regard to railways. I might point out that the practice of railways is not necessarily on all-fours with that of private shops where