

HOUSING.

As mentioned in my last Statement, special consideration has been given to the matter of placing the Railway Department's House-factory at Frankton Junction on a satisfactory financial basis. In this connection it has been necessary to review the question of rentals paid by the employees. Having regard to the expenditure involved in providing the houses the rentals have been quite inadequate, and it will be absolutely necessary to make a slight increase if the Department is not to continue to make a substantial loss on its houses. At the same time it is recognized that it is extremely desirable to have the staff well housed at a minimum of expense to them, and it is not expected or intended to make any profit out of the housing of the employees.

Three hundred five-roomed houses were cut at Frankton Junction Factory during the year, and of these 251 have been erected.

It has been recognized for some time that the Department's housing and saw-milling operations are on too large a scale for the requirements of the Department, having regard to financial exigencies, and that on present rent basis the completion of the house-building programme would relatively increase losses. The Government accordingly placed the Department's facilities at the disposal of local bodies to relieve the general shortage of houses, and the first consignment of fifty ready-cut houses has been sent to Lower Hutt for erection on the Hutt Valley settlement land known as Mandel's Block. Tenders for the erection of an additional 100 houses on this block have been called, and the Railway Department was given an opportunity of submitting a tender.

Arrangements have also been made to dispose of surplus timber at the factory at very reasonable prices, and up to the present very satisfactory progress is being made in this respect.

STAFF RELATIONS.

Relations with the staff during the year under review have been of the happiest, and there has been realized to a greater and greater extent the spirit of co-operation which is the foundation of my policy. I aim at greater efficiency in the Department, not only by providing the staff with better facilities to be used by them in connection with their work, but also by providing for them the means of becoming more efficient railwaymen in themselves. In this latter connection I have in course of development a scheme of staff training under which I hope to give every member of the Department the opportunity to make manifest his abilities in their fullest extent, and also to give him facilities for qualifying himself for the highest positions in the Department.

The application of these modern methods to staff matters will have far-reaching effects of a beneficial nature upon the working of the whole service, and, in particular, will assist the administration in keeping each member employed at such work as by training and ability he is best fitted to perform.

As a commencement there have been established correspondence classes in elementary traffic-working, and the ready response that has already been made by the staff shows that there was a widespread demand for facilities of this nature. Under this arrangement opportunity is afforded of receiving a special course of training by thoroughly qualified instructors in such subjects as tariff charges and regulations, station accounts, and the elements of train-working. There are also included special talks on business-getting, courtesy, behaviour, health, habits, self-reliance, and ambition, the purpose in this connection being more particularly directed to moulding the minds of the young beginners in such a way as will induce in them a proper attitude towards the public, to make them useful citizens and capable business men, with sustained interest in and enthusiasm for the welfare of the service.

During the coming year I intend to develop this policy still further, the operations being carried on up to a certain point within the Department itself, but ultimately stretching beyond that limit into our universities. It has within recent times been more and more realized that transportation is a science requiring careful and systematic study, no less than the other sciences which now form a