in the placing of machinery in the shop and in the question of supplying appliances to work that machinery which tended to put the cost of work at Addington above what it should be. A case in point is the new riveting-machine: it is a fine machine, but it is placed in position without appliances, and with the accumulator it is quite impossible for that machine to pay interest on its cost and do such work as will compensate the Department for incurring the extravagance. The gantry is an entire waste of money. I was told that that structure was only there temporarily, and would have to be pulled down, and I said, "That goes to prove that Addington must be hampered by this useless expense." The words "Government stroke" or loafer never occurred in the conversation. Neither expense." Mr. Ronayne nor myself are apt to use such expressions in dealing with Government men; we have their interests too much at heart for that sort of thing. I have said I was calling attention to the cost of the work because of out-of-date appliances, and I quoted the date of the different appliances that were put up to work (those of the hydraulic riveter). I said five minutes per rivet was about as much as could be expected. I think I said that would be rather over than under the mark. I think that if the riveter turned out ninety to a hundred per day on an average it is as much as it could do. told the workmen at the time that the riveter was not doing the work as it should be doing it, and I was assured then that it was the accumulator which was at fault. It was the one they had for the prior machine, and they had not time to get a new one in. I am thirsting for nobody's blood; I only want to say that the conditions at Addington are such as will not allow the foreman to turn out work in as cheap a manner and as good a manner as hitherto. "He said he was astounded at the slow method and leisurely work of the men generally." I was astounded at the slow method by which work was turned out, because, as I say, the appliances were not such as would allow the men to do bet er work. I do not think the word "loafing" ever entered our minds. Certainly it did not enter into the conversation; and, if Mr. Ronayne implies that I suggested that loafing was practised, I can only say my whole mind must have altered very much in the last few months. I have the interests of say my whole mind must have altered very much in the last few months. I have the interests of Addington too much at heart for that. That loafing does exist I suppose goes without saying, as it exists in most shops. But to say that loafing is carried out systematically by half or even the majority of the men in the Workshops, I do not think entered into Mr. Ronayne's head, and certainly it did not enter mine. I was very pleased to hear Mr. Ronayne admit that heretofore I have been an ardent supporter of the excellences and capacities of the foreman boilermaker, Mr. Henderson. I say without hesitation he is the best foreman we have had in the Railway Workshops-thoroughly conscientious and knows how to get work out of men, and I am satisfied that the Board of Inquiry will get evidence from men who have been in the shops and are now out of them to prove that Mr. Henderson has all those qualities.

I certainly said that discontent was rife through the Addington Workshops; I did not say there was loafing in the blacksmiths' shop. I certainly said in regard to the boiler-shop, in reference to Mr. Henderson, that I thought the department was too large for one man's supervision. It appeared to me that Mr. Henderson's time was taken up in the office doing clerical work. He has a large department, extending all over the shop, and he had to be out of the boiler-shop a great deal of his time. I have said before that there should be more than one leading hand at Addington. One man is not able to carry out the duties. My suggestion as to increasing the number of leading hands has not been carried out. I cannot grumble about that. I am not running the shops. The Chief Mechanical Engineer probably has reasons for not complying with my request. But \overline{I} think it would be conducive to the profitable working of the Department if there was more supervision in the shops. I know there was discontent amongst several of the men in the blacksmiths' shop as to the terms they were receiving in regard to their consideration under the last Classification Act passed by Parliament increasing the rates of pay. I think I also told Mr. Ronayne, in connection with this, that to my mind that was one of the chief causes of the discontent-that the men expected that the spirit in which the last Classification Act was passed by Parliament would be adhered to, but to their annoyance they found that the Act was read too strictly and their rise of 6d. per day was withheld. I want to make it clear to the Commission that it was entirely the matter of discontent that I called attention to. I said that the discontent at Addington was far greater now than ever it had been to my knowledge in the shops, and that such discontent probably would cause the work to be turned out in a less economical manner. The reasons I have suggested to the Minister are the conditions of employment and the present classification. I trust the Commission will go into the question of classification, because it is the cause of great discontent. It is used against the men, and I do not think it is very often used in favour of them. I have been against it all the time, but I know it very often hampers the Department in making such promotion as it thinks should be carried out in the interests of the railways.

Every inducement should be given to the men to give their best efforts, and that was not done when there were evidences of a lack of economy on the part of the administration. In my opinion the intelligence of the workers is such that they will recognise at once when there is not an exercise of economy in the higher branch of the service, and when that is so they become careless and let the work slip. In my opinion, at Addington there is not that evidence of economy. On the other hand, there is evidencee of extravagance in the way of putting machines into the shop that could very well be done without, while the every-day working-machines which are to be found in almost all the other shops in New Zealand are kept out of the Railway shop. I know that in one Railway shop in the Dominion there is a set of rollers that I should say are fifty years old, and which are worked by hand—that is, in one of our shops. The method of doing work in that way will appeal to the Commission. I know, at Addington, that machines have been put in the shop that have done a remarkably small amount of work, whilst machines that are continued in use are machines that were there before my time, and before the time of the Chairman of the Commission. I would not say that they would find a place in any foundry or workshop where the work is supposed to be carried out under economical conditions.