

as are operated in some parts of America, South Africa, and other countries. In those countries we have what might more properly be called the "regional" system, where—in South Africa, for instance—the regions are controlled by Assistant General Managers. These officers are what their name implies, really sub General Managers, and the whole question that has to be decided in framing organization to meet our needs is whether the conditions that have called for the establishment of such officers on the South African and American systems have a parallel in this country.

Leaving this question open for the moment, however, we may safely say that the decentralization of detail that is one of the marked characteristics of divisional control amply justifies the measure of divisional organization which we have already adopted. The essential desirability of co-ordinating the efforts of those who are directly concerned with operation undoubtedly makes for efficient and economical working, and certainly reduces to a minimum that friction which is apt to arise within the organization under a strictly departmental system. I have, therefore, during the course of the year pursued the policy of devolving from the central authority on to the divisional Superintendents practically the whole work of control of operation within their respective divisions, and also as much of the detail work as could be disposed of in that way. This policy has essentially for its object the removal from the sphere of the general management of all but the major questions of policy and finance, and such other questions (for example, rating) as owing to the absolute necessity for uniformity throughout the system must be kept within the province of the central authority. The divisional Superintendents are now able to decide matters in connection with time-tables themselves, they, of course, being held responsible for the results achieved. By this means we have aimed at making our time-tables and other operating arrangements more responsive to the needs of the people, the desirability of this action resting on the basis that the nearer we can bring the authority with which the final decision must rest to the customers of the Department the sounder will be the decisions arrived at and the more speedy will be the satisfaction to our customers.

I believe that, as the question of the method of organization so far as general principles are concerned is still one of some debate, we might find it necessary from time to time to make alterations in the system, but I feel satisfied that the lines along which we are now working—namely, that the development of the best points in the divisional system as experience shows them to be adaptable to our requirements—are the only sound ones, and during the coming year their application in practice will be closely watched and changes made as necessity arises with a view to securing the best possible results.

APPOINTMENT OF ASSISTANT CHIEF MECHANICAL ENGINEER.

Owing to the resignation of Mr. R. P. Sims, Assistant Chief Mechanical Engineer, applications were invited to fill this position. A large number of applications have been received, and I hope to be in a position to make an announcement shortly.

APPOINTMENT OF STATISTICAL OFFICER.

Reference was made in my last Statement to the compilation of certain statistics. A good deal of preliminary work in this connection has been done during the past year. In order that the best results may be obtained applications were recently called for the appointment of a Statistical Officer. Before coming to a final decision I am anxious to ascertain whether a suitable appointment cannot be made from within the Department, and this aspect is now engaging my attention.

TRAIN-CONTROL.

This matter has been the subject of special inquiry by officers who have been abroad recently. As a result of their investigations it is apparent that "train-control" has become the recognized method of dealing with the movements of trains and the control of rolling-stock.