

over the age of forty-two. These are facts, and, if the Government shows a bad example, private employers ought to choose whom they please.

64. My question related to two classes of men—exceptionally competent men and men not so competent: you, of course, take the exceptionally competent men?—Quite so.

65. And suppose that principle to run right through the employment of men in your service, what is to become of the men who are disqualified, not by reason of age or sickness, but because they are not the most competent?—They drift into different spheres of usefulness, but what becomes of them eventually I cannot say. The Union Company does not discharge a man because he is old; they hang on to those men as long as they possibly can—until they retire themselves.

66. Then, you see, the Union Company, having a monopoly of the shipping trade in New Zealand, and in the exercise of their principle of employment in the service, take in all the best men, and it follows that those men who cannot get employment in the colony, by reason of that monopoly, must drift to the other colonies?—There are other kinds of employment for men to follow besides going to sea. I take it that a good many men after a time at sea follow shore employment.

67. Supposing men wished to remain at their proper profession—the sea—would it not follow that they would have to drift away to the other colonies?—Yes; but they are not put out of the service because of old age. The Union Company says, “We have the right to employ, and we will employ, whom we please. We go to the best market.” You cannot find any fault in that.

68. *The Chairman.*] Mr. Murcott gave some evidence?—Yes, it is quite true what he states, so far as the age is concerned. He applied to me, and I asked him his age. He said he was thirty-eight, and I said, “Well, I am afraid I cannot employ you, as the company has laid down a rule that no one is to be taken into the engine-room over thirty-six years of age.” He said, “Is that owing to the benefit society?” and I replied, “I do not know, but it may have something to do with it.” The first part of his statement is correct. I admit that. Further, to show you that this is not a hard-and-fast rule, especially away from Dunedin, I may say that since Murcott applied for employment I find that by our books no less than 149 men have been appointed to the ships during the last three years, and that twenty-eight of these are still on the vessels.

69. Do these men belong to the benefit society?—Not one of them belong to the benefit society, so far as I remember.

70. Your branch officers or yourself have failed in your duty then?—It is not that. If a man does get into a ship we do not discharge him. He remains there as long as he gives satisfaction. No instructions have been issued to the branch managers on the point. It is only a verbal instruction from the marine superintendent to myself.

71. *Mr. Fisher.*] You admit that where a man does not belong to an outside friendly society it is compulsory for him to join the company's society?—It has been up till now.

72. And up to the 30th September will it continue?—No. All belonging to the benefit society may cease to contribute after the 30th September, but all new members need not belong to the society.

73. What, in your opinion, was the object of the origination of the benefit society?—I will tell you from the commencement. About January, 1891, I was on board the “Manapouri,” at Port Chalmers, after I had been about three months in the company's service. A man named McDonald, who was then acting-quartermaster on the ship, came to me and said it would be a good thing if the company started a society amongst the men, adding, “We have none now.” I presume he referred to the union. I said, “What kind of society do you mean?” and he said he meant a benefit society, something like the Cunard Company's. I said it might be worth thinking out, and that I would lay the matter before the marine superintendent. I brought the matter under the latter's notice, and he asked me what I thought about it. I said, “It is a big thing to go into, but it might be a good thing for the men and a good thing for the company.” Captain Cameron then said he would see about it, and a day or so later he sent for me, and said he had talked the question over with Mr. Mills, who was of opinion that rules might be drawn up—rules that might apply to a society of the kind. I then got the books of rules of two or three societies, such as the Foresters, the Druids, &c., and compiled from them what I thought would meet our case. I handed them to Captain Cameron, and I think the society was the outcome. The rules were just a few rough ones. That, at any rate, was the start of the benefit society.

74. Purely for the benefit of the men?—So far as I could learn from the marine superintendent, he said it would be a good thing for the men, and that it would bring the employers more into touch with the men.

75. Then, you would not care to say whether Mr. McLean was correct or incorrect in stating that it was instituted primarily for the benefit of the men, and also to keep a hand on the men, and in consequence to prevent what took place at the time of the maritime strike in 1890—to prevent them being drawn off from the fleet. Do you think that is correct?—I do not know what the Union Company's idea was; I am only giving you Captain Cameron's idea.

76. *Hon. Major Steward.*] The movement originated with an employé of the company?—Yes; it originated with McDonald; it was suggested by him.

77. McDonald's idea was from the point of view of the benefit of the men? Mr. McLean's statement, however, goes beyond that, and was to the effect that, in addition to the benefits conferred on the men, one of the objects was to keep a hold on the men—to prevent them being drawn off from the vessels in the event of a strike. Was not this the case?—Of course, I cannot say as to that.

78. There are a great number of benefit societies in the colony. Have you any opinion of your own as to what the intention was in establishing these private benefit societies?—None whatever.

79. *The Chairman.*] Do you know if Mr. McInnes had anything to do with it?—That was in connection with the cooks and stewards.

80. Mr. Mills paid him something for drawing up the rules?—I heard of that only the other
10—H. 2.