down to bed-rock, depends on whether the men who are charged with the duty of carrying it out—that is, from the lowest-grade Stationmaster or other member who has one man under him up to the top man—are conscientiously doing their duty or not. That is what you come to; and if your men do not conscientiously do their duty there is no use blanning the system. As far as I am concerned, I do not wish to labour the question at all. The Department has made a certain statement in the report dealing with this question.

9. I see no objection to your putting it on record, but, honestly, I cannot see that it has any bearing. My own opinion is that, wherever the defect is, if the system is defective as alleged by clause 7, then the Railway Officers' Institute is correct?—The Department maintains that the system is not defective. It is perfectly well aware of the fact that the men who are responsible for making the recommendations, in many cases, are not doing the right thing. In the report in reply to the petition the Department makes this statement: "The system of promotion commences with the men in the lower ranks who are in charge of one or more men. Each such person is annually asked to report to his superiors as to the suitability of the various men under his Those reports form the basis on which the qualifications of the respective men are considered for promotion, and on which their increases in pay and promotion are granted or withheld. A country Stationmaster with one or two men under his control has to report to his Traffic Manager respecting those men; other officers having a larger number of men report similarly to the officer in charge of their district. Finally the District Officer reviews the whole position in conjunction with the heads of branches, and the latter in due course transmit to the Head Office their recommendations. These, as already stated, are based on the reports of the officers in immediate control of the men, and promotions are made from time to time as vacancies occur, the men who have been recommended being taken in turn and placed respectively in positions for which they are deemed to be suitable. There are, of course, many instances in which officers are recommended for one position but considered to be unsuitable for another. In such cases, should the position vacant be one for which the senior officer is stated to be unsuitable, the first suitable man below him is promoted. Moreover, it is the invariable practice of the Head Office to compare the recommendations made each year with those for the preceding year, and whenever there is a variation which is against the member concerned inquiry is at once instituted and finally completed before the last recommendation is acted on. The greatest possible care is exercised in making promotions, and no member who is recommended as being suitable for the position vacant is passed over." Now, that is the reply of the Department to that statement, and at the outset it is stated definitely that if the statement made by the institute is made seriously it amounts to neither more nor less than an indictment against members of the institute for dereliction of duty. I have any number of other cases here. This trouble is not confined to the First Division; it is just the same with the Second Division. The Department wants to do the right thing—it wants to protect the man, and it wants to protect its own interest. It wants efficiency the whole time. Now, it has been admitted during the course of this inquiry by representatives of the Officers' Institute that they are aware of the fact that officers in charge of the men are regularly consulted every year, and have to report on the men under them. Very well. Under the system of promotion, before it is finally dealt with, the head of the branch is given a complete list of every man in his particular branch. He goes round from one end of the country to the other; he confers with each of the District Officers, with each of the Foremen, and, I understand, with the principal Stationmasters in the main centres. He sees the reports those officers have made respecting the members under their control, and in conjunction with the District Traffic Manager or other District Officer he then makes a recommendation respecting every man in his branch of the service. When these recommendations come to the Head Office we take the previous year and compare them. If the recommendations are the same we assume they are correct—that is, providing no serious complaints have been made against any of the men during the year. If there have been serious complaints, then a request is made to the superior officer for a report, and he is asked to state specifically whether, in view of the irregularities committed during the year, he is satisfied his recommendation is correct. If he says Yes or No you have to accept that as final. If the recommendations for two years are different, then the Department questions every one and wants to know exactly the reason. If a recommendation is withheld one year, or is favourable one year and not favourable the next year, then we want to know the reason why an unfavourable recommendation was given. Where a man has been recommended favourably for several years consistently—there have been cases in which we have probed into matters concerning specific men over a period of two or three years—we go carefully into the whole matter, because the Department wants to see justice done to the men; it wants to see the men get what they are entitled to, and at the same time it wants efficiency. It is an easy thing to make a general statement such as you have got here—"That the system of promotion in the Railway service is defective by reason of the fact that efficient officers have been superseded by junior officers without a satisfactory reason being given to the officers who have been superseded "-but every man who is in charge knows perfectly well the reason why one man is superseded by another, and I want to say this in that connection: I would like to ask members of the institute—those who are in responsible positions—how many of them tell the men who are passed over, and who inquire, the reasons why? There is hardly a day passes by but what I have men, sometimes more, sometimes less, sometimes there is a procession, sometimes an odd man, but there is not a day that ever passes but what I have got men calling at my office and asking, "Can you tell me why I have not got an increase—why I have not been promoted? And can you tell me so-and so." My reply invariably is, "Have you seen your Forepromoted? And can you tell me so-and so. My reply invariably is, "Pave you seen your Foreman, or Stationmaster, or Inspector," as the case may be. The reply invariably is, "Yes, and the Foreman says he is perfectly satisfied with me." I just ring and ask a clerk to bring in the papers of So-and-so, and then I say, "This is why you are not recommended, Jones; this is your Foreman's report." I then say, "Did you speak to So-and-so about it?" "Yes." "Are