

that occurred fifteen years ago I could get it within a quarter of an hour. I should like to know where I would be if I had a stranger in the office and required papers to reply to a particular statement in five minutes. It would be absolutely impossible to carry on the work, and that was fully demonstrated to the satisfaction of the Appeal Board.

52. But that was not pointed out to the men passed over?—It was pointed out so far as we were concerned that it was a special position requiring special qualifications, and that the best man got the position.

53. *Mr. Ennis.*] That would not point out to them the respect in which they were deficient?—If you want to know specifically, we told them that they had not got the necessary training.

54. *Hon. Mr. Millar.*] As far as you know, the District Officers who are supposed to report on the men working under them, do they always give fair reports on the conduct of the men?—Well, so far as the Department is concerned, it makes every effort to see that they should do so, and we are constantly raising the question where we have any doubt. We want to see the men fairly and squarely dealt with every time.

55. Has it come under your notice at all that an officer having a good man under him has declined to recommend him in case he be taken away from him?—No, I cannot recall an instance of that kind; but I can call to mind where inefficient have been recommended so that they could be got rid of, and, further than that, when a case of that kind occurs—we had several of them—I finally adopted this plan of dealing with them: If I had a notion that A was being recommended because he was an unsatisfactory man and because So-and-so wanted to get rid of him, I took a good officer away from that district and let the officer of A's district keep A. We soon got down to A's value then. That effectually put a check on the practice that was creeping in of passing derelicts over to another man.

56. Could a system be brought in whereby a man could judge better as to the qualifications of the men than the system of the superior officer reporting on the men immediately under him?—No. Provided the man immediately in control will give a fair and square report of the men under him, there is no better system; but some of the men shirk the unpleasant duty of telling a man whether he is an unsatisfactory man or not—they pass it on to the next man, and the next man is the Head Office.

57. *Mr. Ross.*] Are you of opinion that little or no reliance can be placed on any of the recommendations of the District Officers in respect of members of the staff?—No; but I have said that there are cases in which District Officers have not done the right thing, and not only District Officers, but subordinate officers. The District Officer has to rely on the subordinate, when you come right down to bed-rock. The recommendation comes down to the man under whom the person works.

58. You are also of opinion that great difficulty is experienced in the Head Office in getting reliable information on which to base your decisions?—Yes, we recognize the difficulty, and do our best to overcome it.

59. And you say you have a procession of men sometimes coming into your office in regard to their positions on the D.-3?—I did not say "procession," but every day I have two or three, not always in regard to their position on the D.-3, but as to why they have not had an increase, and then I want to know why they have not got the information from their superior officers. It is not a procession exactly.

60. What you said was that you frequently had a procession of men on some days?—If I did use the word "procession" I meant it in a qualified sense. I meant that I might get one to-day and half a dozen to-morrow.

61. Then does not that cause you to realize that there is something defective in the system of promotion?—I have already stated that it causes us to realize that the men responsible for making the recommendations do not do their duty, and we take the matter up.

62. Have you investigated the systems of controlling the staffs in other parts of the world in big railway concerns?—Yes, I have.

63. And have your investigations shown you that the same system exists in other large undertakings or concerns as exists in this country?—My investigations show that where you have got a large body of men you invariably get a certain amount of dissatisfaction, and the system in operation in Australia—I speak from personal observation of the system in operation there—is no more perfect than our own; there is just as much dissatisfaction there. I saw a report last week that the Victorian Railways were seething with discontent. That was after receiving an increase of £115,000, the result of the Commissioners' generosity in bringing in a new scale of pay as from 30th June. There was seething discontent because the Smiths and Joneses and Robinsons did not get as much of it as they thought they should get. The shops were particularly bad.

64. If I were to tell you that in other large concerns in the world one section of the service—that is, the traffic section—is, as far as the management is concerned, divided into three divisions, namely, the staff, transport, and time-tables, would you say that is not so?—I am perfectly aware that it is so; but you come down to this: that the staff section is under the control of the general head. It is just exactly the same thing as we have here. When you get down to bed-rock you simply come down to the New Zealand system.

65. And, having a knowledge of that fact, you still continue to think that in grading a concern like our Railways, which is to-day very considerably needed, that it is a good system not only to have the Traffic Department in the hands of one man, but to have all the other sections of the Railways directly under the control of the one officer?—You have got to have some man. The man who is responsible for the administration of the Department has got to have the final say, and that is what happens no matter where you go. It is the same in New South Wales, in Victoria, and other States; the Chief Railway Commissioner is the man who has got the final say every time. He deals with the recommendations of the heads of the branches the same as the