

MINUTES OF EVIDENCE.

THURSDAY, 14TH SEPTEMBER, 1911.

[Petition and departmental report read.]

DOUGLAS RAMSAY examined. (No. 1.)

1. *The Chairman.*] What are you?—I am a solicitor at Dunedin, and solicitor for the Railway Officers' Institute.

2. You can now proceed with your statement to the Committee?—Before dealing with the petition, sir, I should like to say that members of the First Division have been forced to apply to Parliament to redress their grievances owing to the very unsatisfactory treatment which they have received at the hands of the Department. Promises have been frequently made by the Department to the executive of the Railway Officers' Institute, but, I regret to say, have seldom been fulfilled. As late as the 26th September last a deputation from the Railway Officers' Institute waited upon the Minister in Wellington and discussed with him a number of matters, including those dealt with in the petition. At that conference the Minister stated emphatically that where positions in the Railway service had been reduced he would restore them; that the matter of travelling-allowances for all Departments was under consideration of Cabinet, and that the Railway allowances would be brought in line with other Departments. He also stated that he would consider the position of members transferred by way of punishment with a view to the Department paying their travelling-allowances. Yet barely six weeks had elapsed when the Minister wrote a number of letters to the secretary of the Railway Officers' Institute in Dunedin in which he either stated that he would do nothing at all or purposely avoided discussing the point. The Railway officers therefore naturally concluded that it was hopeless to expect any consideration from the Railway Department, and that if their claims were to be fairly considered it would require to be by Parliament itself. The result is the petition which you have now before you. I think that we shall have no difficulty in satisfying you as to the truth of the allegations contained in the petition, and upon that being done I submit that the Committee must be irresistably driven to the conclusion that the Railway officers have been a long-suffering body, that they have real grievances to redress, and that there is nothing unfair in the relief sought. We are obliged to concede that in a large body of men such as the Railway officers there is bound to be a certain amount of discontent, but when you find a body of men seething with discontent then I say, sir, there is something radically wrong. The Hon. the Minister of Railways has stated that a principle of his management is that after the railways have paid a certain percentage of profit he is willing to raise the salaries of the officers.

Hon. Mr. Millar: I never said anything of the sort, and I will not have words put in my mouth. I said, "Railway employees."

Witness: Very well, I will withdraw that. We submit, sir, at any rate, whether the Minister made the statement or not, that the principle is absolutely wrong, because if the pay of the Railway officers is to depend on the profit on the railway, then why should not that system be introduced into all other Government Departments? If it were introduced into other Government Departments it would be a difficult matter to arrive at the rate of salary to be paid to officers in, say, the Health Department, Tourist Department, or, indeed, in the Post and Telegraph Department. The railways should not be expected to pay full interest on the capital cost for some years to come, as they are built to promote land-settlement, and for this end concessions are granted which those concerned could not hope to receive when land-settlement becomes established. An example of the railway preceding settlement is to be found in the Otago Central branch line. This line cost between £1,700,000 and £2,000,000 to construct, and the earnings in 1909 returned only 6s. per cent. on the capital. Coming to the earnings of the Railway and Post and Telegraph Departments, we find that the result of the working for the year ending 31st March, 1911, was as follows: Railway—Earnings, £3,494,182; expenditure, £2,303,272: net profit, £1,190,910. Post and Telegraph—Earnings, £1,027,567; expenditure, £911,819: net profit, £115,748. If the earnings and profit are to govern the salaries, it is obvious that Railway officers' salaries are not fixed on a fair and equitable basis compared with those in the Post and Telegraph Department. Now, sir, coming to the petition itself, the first two clauses show the relationship of the institute to Railway officers and the functions performed by the institute. The petition states that it is the organ of the Railway officers throughout the Dominion, and, to show the faith that the officers have in their institute, the fact that over 90 per cent. of the officers in the Railway service are members of the institute proves that conclusively. The next three clauses are for reference purposes only, so that members of the House may be able to refer readily to the sections of the Act and the regulations affecting the matters which shall be brought before you, and ultimately, we trust, the House itself. The sixth clause deals with the question of maintaining the positions in the service, and we submit that it is impossible to find a more distinct breach of faith than is disclosed by this clause and the schedule thereunder. A man joins the service in the hope that perhaps one day he will attain the highest position in the service, or, at any rate, that he will in course of time occupy the position of the man immediately above him. He applies himself assiduously to the discharge of his duties, only to find that it is not long before his hopes are shattered. He is certainly promoted, but his promotion consists in being required to perform