

grade and leave him there for ever irrespective of his subsequent conduct. The Department does not want to punish any man; the Department wants every man to be efficient, it wants to induce efficiency, and as a result of experience I submit, on behalf of the Department, that a clause like this is necessary. It has worked very well in the Postal Department, and the Department is satisfied it would work equally as well in the Railway Department. The mere fact of the General Manager being able to give a certificate or withholding a certificate in any one year does not meet the case at all. The Secretary of the Post Office can do the same thing. The Postal Department found that did not meet the case, and I say, sir, that a clause of this kind would be in the interests of the efficient men of the Railway service as well as in the interests of the Department. Now, with regard to the suggestion that the Department might meet the institute and consult with the institute regarding these matters, in looking through some old papers the other night I came across a copy of the Quarterly Report of the New Zealand Railway Officers' Institute for 30th September, 1896. I want, now, sir, to read an extract from this quarterly report.

2. *Mr. Graham.*] Who was the secretary?—R. W. McVilly was secretary. I want now to point out to the Committee the contrast in the spirit that emanated from and actuated the executive of those days with that actuating the executive of the present day. This is dealing, sir, with the first Classification Bill. I stated the other day that I have always been opposed to automatic classification; I was just as much opposed to it then as I am now. I wanted a reasonable scale of pay. I wanted a fair living rate of pay fixed for the clerks in the bottom grade, and after that I wanted to see promotion on absolute merit. I have never changed my view on that point. The Classification Committee, consisting of four officers—I need not name them, although I was one of them—had several long discussions with the then Minister of Railways, the late Sir Alfred J. Cadman, the General Manager, and Mr. Hudson, late Assistant General Manager. We got the Bill and went into it, and after full discussion the executive, acting on behalf of the institute, agreed to accept the proposals, because we were definitely assured that we could get nothing more than the Bill proposed. It was not quite as much as some of the executive thought we ought to get. Having a knowledge of the benefits, I strongly urged acceptance of proposals, or we would get nothing, and we finally agreed. We were working at the time in conjunction with the Amalgamated Society of Railway Servants, whose executive met in Wellington at the invitation of the Department. They too, after doing their best for the service, agreed to accept what was offered. "It was subsequently found, however, that it would be impossible for the committees to complete their work in the time, and, on the Minister being acquainted with the fact, he generously granted a further extension of time, and arranged to meet the committees at 7.30 p.m. on Thursday, 17th September. By working diligently, and through long hours, the committees were able to perform their task in the allotted time, and at the final meeting with the Hon. Minister the Bill was discussed clause by clause, and a number of amendments were proposed, some of which the Hon. Minister agreed to accept. He intimated, however, that in preparing the schedule attached to the Bill the Department had been as liberal as possible, and that he could not agree to accept any amendments to that portion of the Bill. The committees therefore, after mature deliberation, and with a due regard to its responsibilities, recognizing the benefits that would accrue to the present staff, especially to those members in the lower grades, decided to accept the Bill as affirming an important principle which members had been endeavouring to establish. It was not anticipated that the Bill would meet with the entire approval of every individual member of the service, but members generally will undoubtedly derive many benefits under it for which no provision exists at the present time." Now see what happened when unreasonable opposition was raised by the staff. "A great deal remained to be done after the Bill was accepted, and it was only by unrelenting care and vigilance that it was got through during the last session, as, owing to the suspicion with which a section of the staff (who certainly did not appear to understand or realize the benefits accruing under the Bill as against the present scale) received the proposal. Much opposition was for a time raised against the Bill, and, as the Hon. Minister had stated distinctly that he would not bring it forward unless the staff was practically unanimous, it devolved on the committees to take strong action in the matter, which they did, with a satisfactory result. Members will, no doubt, recognize, after they become acquainted with the Act, that it is a measure from which they will derive very considerable benefits, and that the fact of its having become law is a matter for sincere congratulation." Now, sir, that was the position that the two executives took up at that time. They made the best bargain they could for the staff. Night after night the executive representing both bodies attended at the House, innumerable telegrams had to be sent all over the country to combat the misrepresentations made, and it was only with the greatest difficulty that we got the members to accept something from which they subsequently benefited by thousands of pounds. Now, when the Act of 1901, which still further improved the pay of the service, was brought forward there was the same old opposition. The Act of 1907 was a distinct improvement on the Act of 1901, but the members of the service would not see that £200 was better than £180 per annum; they wanted £220 or nothing. We have now got the same cry again, and every time the Department brings forward anything in the shape of any amendment to the Act, instead of the staff looking back at past experience and appreciating the fact that the Department does sometimes honestly try to do something for the benefit of the staff, they look upon the whole business with absolute suspicion. They are not prepared to give the Department credit for any honesty of purpose.

3. *Mr. Ross.*] How do you account for that?—I do not know; I cannot account for it at all. We have had the same thing all along the line—in 1896, in 1901, and again in 1907.

4. *Mr. Graham.*] You were one of the objectors in 1901?—Pardon me, I was not.

5. You were amongst them?—No, I was not.

6. Not in 1896?—I was one of those who, having done the best we could for the staff, fought to get the Bill through. I was not an objector then, and never have been. I say that if members