

44. What do you mean by "double privileges"?—Well, I do not know of any section of the Civil Service or community that enjoys the privileges you have got. You have continuity of employment; you have got holiday conditions that no other section of the community has; you have got sick-leave privileges under which you know as well as I do, and every officer in this room knows, the Department grants full pay up to six months. I do not see any particular reason why in the face of these things Railway officers should get any further extension of privileges. The whole thing narrows itself down to a question of finance.

45. That was not the question?—Pardon me, that was the question. You get the country to say that it is prepared to foot the bill to any extent—

46. *The Chairman.*] That is a question of policy now?—I was going to show that the departmental officers are not concerned in the cost.

47. *Mr. Arnold.*] The country has never refused to pass Railway estimates?—No; but we have in the public interests to consider the capital cost, operating expenses, interest, and results, and the administrative officers are responsible for that.

48. *Mr. Young.*] The country grants to the Postal officers so-many more days' annual leave than it does Railway officers?—Yes.

49. Do you not think the Railway officers are entitled to the same leave as the Postal officers?—As I said before, all your argument is not in the direction of extending the privileges of the Railway Department's officers—it is in the other direction.

50. Not at all?—It is.

51. You have not answered the question?—I have answered the question—it is a financial question.

52. You do not compare it?—I have declined over and over again to discuss the question of the Postal policy.

53. I think you said this morning that no payment was made for sick-leave prior to 1894?—That was the general rule. I said no payment was made except in cases where the men came along and asked that it should be taken off their annual leave. There is a regulation which distinctly provides for that. I know, of course, that there was an odd special case where special treatment was given, just the same as there are special cases now, and no doubt always will be, but those exceptions only prove the rule.

54. You said that Regulation 55 was made under the Act?—Yes; it is an extension of the time given in the Act.

55. Do I understand that Regulation 56 was not made under the provisions of the Act?—Regulation 56 is outside the specific leave provisions of the Act. There is no provision in the Act to say that the Department shall grant sick-leave.

56. Then if Regulation 56 was not made under the provisions of the Act is it not *ultra vires*?—No, it is not: it is a machinery regulation.

57. Does it not state that those regulations are made under the Act?—Yes, I know that, and it is correct, and is made under the subclause which gives the Governor in Council power to make regulations to carry out the intentions or anything else that it is necessary to provide; but there is no specific clause dealing with this question of sick-leave—no specific clause in the Act which authorizes sick-leave: it is granted by the Department as a concession.

58. *Mr. Arnold.*] With regard to those five men, Mr. McVilly, did I understand you to say that you did not know the names of those men?—No, sir, I do not know now from memory. I do not know that I even heard their names, but I heard at the time that those five men were off. You must remember we get hundreds of cases.

59. But it was reported to you that there were five men here?—It was mentioned to me by one of the members of the staff in the Buildings. I am not sure that he mentioned the names. I think he said, "I saw five Auckland men."

60. Then there must have been a suspicion that they were malingering?—No, the position was that those five men were off, and I think, speaking from memory, that one of them had asked for his leave, and he was told that he could not get it, and he said, "If I cannot get it I will have to go off sick," and that is what was done.

61. Do you know the name of that man?—I do not remember it. I endeavoured to trace the case on Saturday, but I have not succeeded so far; but I think it might be possible to turn it up yet.

62. You see there can be nothing extraordinary in men coming to headquarters if they are on sick-leave?—No, but the extraordinary circumstance in that case was that those five men who were stated to be on sick-leave should be in Wellington together and walking about the streets. That is the thing that struck my informant, and I said, "Then we will have to deal with the matter," and action was taken by gazetting the regulation.

63. Evidently there was no communication sent to those individuals?—I could not say from memory. My recollection of the matter is that the matter was taken up at once with the District Officer in the ordinary way that we take those matters up. We do not communicate direct with the staff. We want to know whether he satisfies himself as to the condition when a man gets leave.

64. Was any communication sent to the District Office with regard to those special men?—My recollection of it is that there was, but I cannot be sure now. There are so many matters to deal with that you cannot always carry them all in your head.

65. But the fact of those five men being here has fixed itself in your mind, and it is surprising that any communication has not?—Well, I should be surprised if there is no communication. We may have written a common letter respecting the general leave, or perhaps a communication regarding each of the five men.

66. No communication was sent to the institute?—No, we dealt with the District Officer in the matter. That is what we always do.