Now, it is only fair to say that the facts as stated by the Department are correct-that there are 90 per cent, of the tradesmen in Grade 1, and I believe on the present D.-3 it would work out at a greater percentage. We did represent the real question in a proper way. I just want to say this, that we did not consider the circumstances sufficient to justify us in asking for it. We considered it would do harm to the tradesmen themselves asking for it, and we considered the time most inopportune. I say I have no time personally for such movements as were made at Petone by those tradesmen the other week. I say this is not the time, when the Department has difficulties on account of the scarcity of men and when men are called upon to work overtime, to quibble about that kind of thing, and the least we can do is to help on the work of the Department. If there is anything of that kind we can easily bring it up after we are over the present trouble in which the Empire is engaged. Now, it has been said that wages have nothing to do with it—that the indenture question has nothing to do with it; all the petitioners want, they say, is the privilege to represent their own grievances. That may be the erux of the whole position, and I am prepared to stand or fall by it. If you say the tradesmen have that right, then where are you going to draw the line? You are going to get us and also the Department into "Queer Street." You are going to say, in effect, that the Department must open their doors to every little section which can say they are distinct from any other section. What is going to happen? I know the tradesmen, and I know how long they will hang together in a tradesmen's society. They will first of all have a row in regard to who is to be Car or Wagon Inspector, the carpenter or fitter. It has already been a great bone of contention amongst them, and for the life of me I cannot imagine them agreeing on that vital point. I say, gentlemen, there is a big principle involved here, and if you are going to say that that is to be conceded, then you will have to consider in future the question as to whether you shall not concede the same thing to every other section, which will result in nothing but chaos and disaster both from the society's and the Department's point of view. I cannot argue that our constitution is absolutely perfect: I am not here to say that our constitution is so-and-so and that it is As I have already said, we have made representations to the Engine-drivers, Firemen, and Cleaners' Association, and invited them to come along and talk matters over. We put before them certain proposals which we thought reasonable and would adjust the matter. Those proposals I am going to put in before the Committee, and I am going to put in also the proposals of the E.F. and C. Association. Our proposals were—"(1) That we believe in one organization throughout the Railway service; (2) that we believe in one head or executive to control the destinies of such organization; (3) that to give effect to such proposal, each branch of the service—viz., Locomotive, Maintenance, Traffic, and Workshops—shall have equal representation on the said executive; (4) that each of these departments shall have the sole right to consider their own grievances and conditions, and also to constitute branches for the consideration of their own affairs; (5) we are prepared to allow each branch of the service to elect their own representatives, or, as an alternative, that all representatives shall be elected on the basis of proportional representation." Those were the proposals that were considered by our executive and submitted to that conference as a possible settlement. However, they were turned down by the E.F. and C. Association. What they were after was different to what we were after. We were after doing away with so many societies, and we found that what they wanted was an additional society called the "Federal Council." That was no good to us; and, while there was a good feeling, we could come to no agreement at the conference; but I am pleased to say there is a movement amongst the engine-drivers in the direction of supporting the proposals submitted to that conference. The Masterton Branches of the E.F. and C. Association and also the A.S.R.S. have held a combined meeting and endorsed the proposals that were put before the combined conference. I have also heard that other places in the North Island have similar movements in vogue. I think I can now put to the Committee our position as regards reorganization, and perhaps I should here quote a statement made by Mr. Webster, the Federal Postmaster-General, who not very long ago visited New Zealand. The following was cabled from Sydney on the 21st March: "As a result of his visit to New Zealand, Mr. Webster (Federal Postmaster-General) expects to save £50,000 a year in the administration of the Postal Department. will involve no radical changes, but simply a rearrangement of methods. He saw nothing in New Zealand to alter his conviction that divided control made for neither efficiency nor economy. He was pleased with the organization of the New Zealand employees, eliminating the dozen unions in existence here." That is Mr. Webster's opinion in connection with his Department, and you are opening up a big question in regard to this matter. If you are going to say, so far as the Railways are concerned, that this concession is to be made, then the same thing will crop up in connection with Education and Post Office management, and you will have dozens of unions springing up all over the place because some little section is dissatisfied with their executive council. I can best place before you our view of the position by reading what I told the editor of our Review at the conclusion of the conference with the E.F. and C. Association. The editor waited on me and asked if I would give him some expression of opinion for the Review. I said, "I am not disappointed that we have not reached any final decision so far, but we have made a start, which we hope will result in good in time to come. The contention of the Loco. Association is that our proposals were amalgamation, and therefore could not be considered by them; but whilst that may be true, it is not amalgamation in the old form that existed before they left us, inasmuch as it provides for representation on the governing body of the different sections elected by each particular section itself. We have gone further and offered the right to what may be termed sectional branches, where particular groups might discuss their own affairs without interference by other groups. It is apparent to me that for some reason or other the E.F. and C.A. wish to retain some independent existence. What is this desired for? Is it to push for higher wages as against other sections of the service; and if so, is that policy worth while? Our