

The action above outlined in connection with the Publicity Branch is in accordance with the policy I laid down of bringing modern commercial methods to bear on the work of the Department wherever the same could be applied with advantage. Our experience since the inauguration of that branch leaves no room for doubt regarding the wisdom of its establishment, and leaves me with a feeling of satisfaction with the practical application of my policy in that connection.

PERSONNEL ADMINISTRATION.

During my term as Minister many improvements have been made in wages and in the conditions under which the railway employees work, of which the following is a brief summary:—

Concessions granted to Staff, First Division.—These include improvements in working-hours, holiday rates, and classification of positions.

Concessions granted to Staff, Second Division.—Increased pay to locomotive running staff; extension of children's privilege-ticket system; penal overtime rates; improved working-conditions for the shunting staff throughout the service and also in regard to the layout, drainage, and lighting of shunting-yards; fractional adjustments in rates of pay; increases and improved pay allowances to various groups of employees; retiring-leave to casuals; grant to widows under certain conditions; and subsidy to the new Railway Sick Benefit Society.

SUGGESTIONS AND INVENTIONS COMMITTEE.

In order to encourage the staff to take an active interest in the Department's operations, and with the object of securing the greatest efficiency by the co-operation of the employees in the various branches, a Suggestions and Inventions Committee was set up, and suggestions invited in connection with any section of the Department's operations.

Since the inception of the committee, on the 15th June, 1925, up to the 22nd November, 1928, there have been received a total of 4,484 suggestions and inventions for consideration. Of these, 373 were recommended for adoption, 16 are on trial, 126 are still under consideration, and 3,969 were not adopted.

This committee was set up as a means whereby the public and members of the staff might impart their ideas for the good of the railway service, and the foregoing figures show that it has developed along sound lines.

STAFF DISCIPLINE.

A new system of staff discipline was instituted in October, 1926, the essential features being the abolition of monetary fines for irregularities, misconduct, &c., and providing for a system of merit and demerit marks in which a member would, in cases of disciplinary measures for misconduct, have placed against his delinquency the record of his previous meritorious conduct. It is considered the new system is more equitable in its operation than that adopted in the past.

STAFF EDUCATION.

This has progressed under my administration by the establishment of a central correspondence school, opened in Wellington, in 1926. To indicate the extent to which this expert training in railway work is availed of, I may mention that the enrolments to date number 2,579, including 678 members of Division II. Already 1,405 members have sat for the various examinations.

CADETS' HOSTEL.

A splendid private residence in Fitzherbert Terrace was purchased in February, 1926, for the purpose of accommodating cadets appointed to the training-school in Wellington. The charge for board is kept as low as possible, being based on actual cost (including interest on the invested capital). Results have proved very satisfactory, and parents have expressed their appreciation of the action of the Department in the provision of accommodation for, and supervision of, their sons whilst away from home.

SICK BENEFIT SOCIETY.

A progressive development in the interests of the staff has been the formation of a sick benefit society to include all members of the Second Division. The complete scheme will shortly be in working-order. The fund will be administered by members of the staff nominated by the staff societies, and with these nominees will be associated representative officers of the Department. It will be supported by contributions from employees subsidized by the Department. The action of the Government in this connection is, I believe, along the lines of the best modern industrial thought, and marks the first practical application on a large scale in New Zealand of a principle of industrial life that has come to be recognized as entirely sound. I think the lead given by the Government in regard to the railway industry is fraught with great possibilities for the Dominion, and will have a definite and beneficial effect on the country's future industrial life.

ROAD MOTOR COMPETITION.

No statement on the railway position would be complete without reference to the question of road motor competition. This is a matter to which throughout my administration I have given most anxious consideration.

The railways have, so far as the position lay with themselves alone, already done much to meet the situation, but for them to have to adjust their business to meet uneconomic conditions would mean building their business along uneconomic lines.