

Immediately after the termination of the strike I reopened negotiations with the society, and various arrangements were arrived at, including the withdrawal of the society's affiliation with the Alliance of Labour and the safeguarding of the superannuation rights of the men.

The Government considered that the action taken by the society in resorting to direct action cancelled the whole of the arrangements existing at the time of the strike, and that in consequence it was justified in laying down the conditions under which work should be carried on pending a new working agreement being brought into operation. After careful consideration it was decided not to interfere with the conditions of work existing prior to the strike, other than to extend the weekly hours from forty-four to forty-eight, the additional four hours to be paid for at the flat rate of pay, and cancel the clause relating to the payment of overtime over eight hours per day. This meant that overtime would only be paid after forty-eight hours had been worked in the week.

This arrangement came into operation on the 26th May, 1924. Meantime, proposals were being dealt with concerning the setting-up of a Board to consider the claims, and ultimately it was mutually agreed to appoint a Board consisting of the members of the Arbitration Court—His Honour Mr. Justice Frazer and Messrs. Scott and H. Hunter—and Messrs. James Mason, First Assistant General Manager, representing the Railway Department, and Mr. M. J. Mack representing the society. Mr. H. H. Sterling, Second Assistant General Manager, appeared as advocate for the Department, and Mr. M. Connolly for the society. The Board commenced sitting on the 5th June and submitted its report on the 23rd August. The details of the recommendations and subsequent action have already been published.

The Board's report was divided into four parts :—

- (a.) The report of the Board as a whole.
- (b.) The report of the majority of the Board (signed by His Honour Mr. Justice Frazer and Messrs. Mason and Scott).
- (c.) The report of the minority of the Board (signed by Messrs. Hiram Hunter and Mack).
- (d.) A memorandum from Mr. Mason, the Railway Department's representative, in respect of two matters on which he was unable to agree with the other members of the Board.

Cabinet considered the recommendations and decided to accept those in (a) and (b) without reservation.

The society, however, was dissatisfied with some of the recommendations, and urged that the payment of overtime for daily time worked in excess of eight hours be reverted to, instead of after ten hours as recommended by the Board ; that night rates be not interfered with ; that time worked on Sundays in commencing or completing the week's shift be paid at double rate instead of rate and a half as recommended ; and that no alteration be made on the lines recommended in connection with holiday pay.

These points were placed before Cabinet on the 15th September, 1924, when it was decided to adhere to the previous decision.

The results of the alterations in the pay and working conditions on the Department's finances have been very fully investigated. It will be remembered that when the Government extended the weekly hours after the strike from forty-four to forty-eight with a relative increase in wages, there was no intention to indiscriminately dismiss the surplus of staff brought about by the extension of the hours. Consequently the expenditure in additional wages under this heading will be considerable until such time as the surplus staff can be absorbed by utilizing it to fill vacancies brought about by retirements, resignations, dismissals, deaths, &c. Apart from this, it is found that the new conditions will allow much more elasticity in practical working. Allowing for increased efficiency in work, and the savings effected by the changes, and setting off against these the additional expenditure incurred by the increase in the overtime rates, &c., it is estimated that for the first year the increased expenditure and the savings in various directions will more or less balance, but that considerable economy will be effected by the automatic reduction of staff.