

go from £180 to £220. Officer "E" started at £140: 21 years before he got £180, 7 years to go from £180 to £220. Officer "F" started at £140: 27 years before he got £180, 3 years to go from £180 to £220. Officer "G" started at £180: 11 years before he got £220. Officer "H" started at £170: By increment he got £180, 10 years to get from £180 to £220. Officer "I" started at £160: 4 years before he got £180, 23 years to go from £180 to £220. Officer "J": 14 years before he got £140, 12 years to go from £140 to £180, 3 years to go from £180 to £220. I have a lot more instances, but I think those will serve the purpose. Now I want to direct the attention of the Committee to what was the cost of the alteration under the scale of 1907. An officer of the Department under the 1896 scale would receive £1,085 during the first twelve years' service, and under the existing scale he will get £1,540 for the same period. At the present time we have 1,313 men affected by the scale rate of pay. This represents a difference of £597,000 in excess of the amount that would have accrued to those men under the 1896 scale. Taking a period of nineteen years, and the difference between 1896 scale and 1907 scale, the pay to 1,313 members would be £1,168,570 in excess of what they would have got under the old scale (1896); the difference between the scales of 1901 and 1907 would be £695,890, an increase of £61,500 per annum comparing 1896 with 1908, and £36,600 comparing 1901 and 1907. Then, in addition to that the rate of advance under the present scale is 33 per cent. faster than under the old scales, for the reason that the increments are £15 per annum instead of £10.

5. Has the amount paid by officers for rent been deducted?—The amount paid for rent has not been deducted. I am quoting the differences in the actual rates of pay, but I think there appears to be some misapprehension among the Committee as to the question of the amount of rent. The amount of house-rent paid by the bulk of our men is from 4s. per week to 9s. 6d. per week. There are 215 officers who are paying less than 10s. per week for house-rent at the present time.

6. Can you give the Committee the amount paid for house-rent per annum throughout the whole service to the Department?—I could, but I will require to add it up. I will give it later on.*

7. *Mr. Witty.*] It would be of no use unless it was a comparative table?—I will give that. I may say this, sir: that I take it that in any comparison of rent that may be drawn, the comparison must be between the actual amount of rent that the Department debits the officer with at the present time, and not the paper value. The 1896 Classification Act assessed house-rent at £25, £35, and I think £40. I think the maximum was £40. I take it that any comparison I make will be between the actual charge that we now levy, and not the departmental value. A man, for instance, who is paying £10 for rent will not be able to claim that his house was then worth £25 to him.

8. *Mr. Ross.*] I do not think they would want to say that?—I just want to make that position clear. Now, sir, the scale-increases granted under the Acts of 1901 and 1908 for ten years amount to £164,680—that is, to the First Division. The amount for ten years for both divisions is £339,951, and the cost of promotions during the same time is £63,122. The increases provided under the existing Act for the First Division amount to £17,410 for one year. To comply with the request to put lower-grade Foremen a grade higher is going to cost the Department an additional £4,400 a year. I come now to the question of what the institute asks. As I understand it the institute is asking that all men who are now in the tenth grade should go up to £260. Is that so?

Members of Institute: No.

Mr. Morgan: One grade at £200, and another at £260.

Witness: Very well. On the basis of the staff on the 31st March, 1910, the additional costs for first year to the Railway Department if officers were brought under the Post and Telegraph Classification would be £6,820—that is, over and above the ordinary scale increases.

9. *Mr. Ross.*] That is assuming the increases would be granted to every man?—Provided the scale of pay is made the same as the Postal Department.

10. That is assuming the increase was recommended to every man?—I pointed out that the scale of pay, if it was automatic, and the scale increases are regarded by the staff as being automatic—

11. *Mr. Morgan.*] The institute is not asking that?—I take it they are asking for something which is going to be automatic.

Members of Institute: No.

Witness: Well, if the institute is not asking for that, then I should like to know exactly what they are asking for. If the institute is dealing with one or two grades, then I desire to know what particular grades they are. I think it was stated by Mr. McPherson most emphatically that it was the Postal classification they wanted and nothing but the Postal.

12. *Mr. McPherson.*] I said we did not want an automatic scale—that we wanted inefficient men to stay at £200 or £220?—Then you want the Postal classification.

13. And promotion on merit?—Then we come down to the question of who is to be the judge of merit. I have pointed out already that wherever the Classification Act provides for a minimum and maximum that the men automatically go up to that maximum. The men are recommended year by year, the increases are granted year by year, and in many cases the men are recommended for promotion to a higher grade, and when you come to compare the recommendations of one year with another and question them, as we do, we find the recommendations cannot always be sustained. I am perfectly satisfied after experience that compliance with the request to give the institute exactly the Postal Department classification would mean that we would go on as we are—that is, we would have automatic increases. On that basis in five years you would have an additional cost of £114,000 over and above the scale increases at present provided by Act; in ten years £390,000; and in fifteen years, £816,000 additional. Now, that is dealing with the lower grade. If you deal with the lower grade in that way, what is going to happen in regard to the men who have got up through merit and ability to the £220 and £255 classes? Are