

It will be seen that there has been a material improvement in the higher grades, and that the percentage of low-paid men has decreased between 1901 and 1910, and a further improvement has taken place between 1910 and date. In 1901 the percentage of men in receipt of pay amounting to £180 and under per annum was 78·06; in 1910 it was 58·49, a decrease of nearly 20 per cent. To-day the position is still better by 8 per cent. Now, in addition to what has been done in that way, the maximum pay in the various classes has been increased. We started in 1897 with a maximum pay at the bottom class of £150. A clerk had, however, to stand three years at £140 and a Stationmaster five years at the same rate before either could get any further increase. In 1902 the number of men in the corresponding class who attained a higher position than £140 per annum was 360, while at the present time there is not a solitary man standing at £140. In 1897 in the £160–£180 class there were standing at £180 maximum 66 men; to-day there are 96 men at £180, and there are 339 men who have gone up by annual increments to salaries from £190 to £200, which is the corresponding grade to the £150 of 1897, and the intermediate class has been abolished. In 1901 we had 30 men standing at £220, which was the maximum for the class; to-day there are 256. At £255 in 1901 we had 2 men; to-day we have got 99. In the £300 grade in 1901 there were 10 men standing; to-day we have got 61. At £355 we had nobody in 1901, while to-day we have 30. With respect to the schedule positions, the members of the Officers' Institute know perfectly well that when the Classification Act of 1908 was altered the class which stood originally at £500 was divided into two classes, not, as members of the institute suppose, for the purpose of reducing salaries, but for the purpose of enabling the Department to promote as opportunity occurred a number of men who held certain positions which might be worth more than £400 but were not considered to be worth £500. We recognized that if we put a man in the £500 grade before the alteration was made we would have to pay him up to £500, because when a man is put into a grade it is very rarely indeed that the officer responsible for reporting as to that man's suitability for promotion will make an adverse recommendation. It therefore follows that in almost every case where a man is put into the grade he is automatically recommended irrespective of whether he is satisfactory or otherwise. Now, when that class was divided we made the maximum, which had been £500, £525, and the officers shown in the statement as being at present at £450 per annum are fully aware that they will work up to the maximum the same as their predecessors, provided that their work is satisfactory and the Department considers that the positions they hold respectively are worth the salary attaching to the present third grade. It cannot be contended that a junior immediately he is promoted is to be paid the maximum for the grade right away, and so be put into a position that it probably took his predecessor twenty-five years to work up to; he has to work through the intermediate grade, and when the position justifies it he is put into the next grade. Touching grade 6, to which reference is made, to the Traffic Clerk at Christchurch and the Stationmaster at the Bluff, the same position applies. The Traffic Clerk at Christchurch at the present time knows perfectly well what the position is, and he knew it when he took it—that is, that he will in due course work to the top of his class, and into the same position that his predecessor held. His predecessor started at £260, the present holder of the position started at £300, and he certainly has no ground for complaint at being asked to work through to £355. In regard to the Chief Clerk to the District Engineer at Wanganui, the institute has forgotten to state that the gentleman who held that position previously was a man with very long service who has occupied a higher position. When placed at Wanganui he worked up to £300 the same as his successor may do. The same thing applies to the man at Napier, to the Stores Auditor, to the clerk at Oamaru. The principle, in fact, applies right throughout and down to Ngahere. All those men shown as previously occupying positions at £220 are men whom the Department promoted and had to find positions for. It was recognized that the positions in which they were first placed were not worth the salary they were receiving, but we wanted to promote the men, and we promoted considerably more men than we had positions to fill. From time to time as vacancies occurred such of these men as were qualified to fill them were withdrawn from the positions they temporarily occupied and put into positions commensurate with the higher salaries they were receiving. I might say that the statement in the petition is misleading, because no positions have been reduced.

6. In other words, the Officers' Institute has put the maximum salary provided by the grade and put side by side with that the salary actually being paid to the man now holding the position?—Yes, that is so. Many of the men are at the top of the grade, and are receiving the maximum rate that the Department considers their present position justifies, and cannot go any further until they are in order for promotion and vacancies occur.

7. When a man is promoted from a lower grade to a higher grade he has to commence at the lowest rate fixed for that grade, has he not?—That is so. The Act provides it.

8. And he gets annual increments till he works up to the top?—Yes.

9. But, according to the line of argument adopted by the Officers' Institute, a man once put in the position should get the maximum salary as soon as ever he is appointed there?—Yes. It has always been the argument and contention of the institute that positions should not be graded. That was the old story when I belonged to the institute—they would not have the positions graded—everything must be automatic. Well, they have now got the automatic, and yet they come along and want the positions graded plus being automatic.

10. Now, as to the item, "Traffic Superintendents at Wellington and Dunedin, £700," the position was done away with owing to the trouble created over the rolling-stock between the District Managers?—Yes.

11. The District Manager, who was appointed Superintendent, always took care he had enough rolling-stock in his possession, otherwise he would get short, and there was trouble between them, and it was decided to do away with the Traffic Superintendents altogether?—Yes, the duties of the Chief Traffic Manager being altered to suit the circumstances and give him fuller control.

12. In 1907 there was a reclassification, was there not?—In 1908; that was the third. The first was in 1897.