

Mr. Ramsay. Mr. Ramsay's last question may have a tendency to mislead the Committee as to the position. The regulations distinctly provide—"Members of the First Division when travelling on duty shall be paid the following travelling-allowances for personal expenses, but such allowances shall not be payable when members are travelling on transfer: Members in receipt of salaries not exceeding £400 per annum, 10s. per day. When members are transferred to meet the exigencies of the Department, the cost of conveyance of members, their families and effects, by land or sea will, except as otherwise provided in clause 48, be paid by the Department, together with such actual personal contingent expenses as the General Manager may decide are fair and reasonable. Where the cost of transfer is paid by the member travelling, it will be recouped to him on production of receipts. No receipts will be required for sums of less than 5s. The maximum period for which personal expenses are allowed on transfer will be: At commencement of journey—(a) For married members, two days; (b) for single members, one day. After arrival at destination—(a) For members who are married, one week; (b) for members who are single, two days. The General Manager may, at his discretion, reduce this time as circumstances warrant. When members are transferred at their own request or by way of punishment free passes by rail will be granted for themselves, their families and effects, but all other expenses shall be paid by the members themselves." Regulation 49, regarding transfer and payment of transport by sea and land, merely covers the out-of-pocket expenses. The practice of the Department has always been to pay a member at the daily allowance quoted in Regulation 42, subject to the conditions laid down—that is, so far as he is concerned personally—and Regulation 47 provides that a man transferred shall be paid contingent expenses as the General Manager may decide are fair and reasonable. Then, that the maximum period for which personal expenses are allowed on transfer shall be—at commencement of journey, for married members, two days; for single members, one day. Well, that regulation is the only clause that governs the operation of Regulation 42, and Regulation 42, so far as the officer on transfer is concerned, is always adhered to—that is, a man gets the actual personal expenses for himself as per regulation, and fair contingent out-of-pocket expenses, cartage, or express hire. For instance, if an officer is transferred from here to Taihape he would get under the regulation payment for himself for two days at this end plus cartage of his luggage, and seven days at the other end—that is, nine days plus cartage. If married he would get in addition the cost of transport and out-of-pocket expenses, including board for his wife and family. That is the general practice, and it has never been altered, and it is being adhered to to-day. Now, with regard to the question of the sufficiency of time at the commencement of journey, it has to be remembered that, as a general rule, the bulk of Railway men, at all events, are simply required to take train journeys, and the experience of the Department in the past was that very considerable advantage was taken of the Department by members of the service in respect of the claims they made for the time taken to pack up and also to get settled at the other end. It was quite a common occurrence to have claims put in up to four weeks, and in such cases the officer would claim his full 10s. per day for himself and the full out-of-pocket expenses for his wife and family. Correspondence was continually going on between the Department and the officers concerned respecting the unreasonableness of the amount of the claims for transfer expenses. The contention of the Department was and is that if a man has a family he has got his home to keep; he is put to certain expense to keep up that home. Where transfers took place the Department did not expect officers to be out of pocket. On the other hand, it certainly did not expect them to make a profit out of their transfers; and I submit that where an officer is under transfer and claims expenses for an unreasonably long time, as there is no doubt many officers did in the past, they were making a profit out of their transfer. After looking into the matter for some considerable time a direction was given by the late Minister of Railways, the Hon. Mr. Hall-Jones, that a deduction should be made for the cost of living. This was not done for the reasons advanced by Mr. Graham, so far as the Railway Department is concerned, but because the Hon. Mr. Hall-Jones wanted to bring the Railway Department in that respect into line with another Department which he controlled at the time, and he was very strong on that. When the instruction was given that those deductions were to be made, and vouchers were sent back to be altered, the Department was surprised to find that it had in its service a very large number of members who had absolutely solved the problem of domestic economy, although they often complained of the cost of living when asking for higher pay. We have heard a good deal about the small amount that some nations can live on, but when the vouchers that came before the Department were looked into they indicated that our people could hold their own in that respect. Many of the deductions were investigated, and found to be absolutely ridiculous. They were so absurd that the Officers' Institute felt it incumbent upon them, when interviewing the Hon. Mr. Hall-Jones shortly before he relinquished control of the Railways, to pointedly refer to the matter. On that occasion the institute was represented in the matter by an officer of the Department who held a position in one of the district offices, and part of his duty was to deal with vouchers for transfer expenses. The statement made to the Minister was that "the deductions made on vouchers by members to cover the cost of living are so ridiculous that the institute marvels how officers exist on the amount stated." Now, that was the statement of the representative of the institute to the Minister of Railways at one of their interviews.

2. *Mr. Graham.*] We have no record of that, Mr. McVilly?—Well, I have.

3. It is accusing the whole institute?—I have made a statement which can be proved by the shorthand notes of the interview. I have simply picked the eyes out of the statement.

4. *Mr. Ross.*] Will you elaborate what is meant by "deductions"?—The instruction was that where officers were on transfer they were to deduct from the voucher rendered for transfer