

18. Why?—Because the Department wants efficiency, and in that sense no man would be pulled down.

19. Then the only reason they could not reduce the salaries is because they want efficient men?—No, the governing reason is because the Department wants to do everything that is just and fair and equitable to its men.

20. Do you not think there is ample power now for the Department to withhold a man's increase?—The Department honestly knows that a clause of that kind is necessary in the interests of the members of the staff as well as of the Department. I say that is the opinion of the Department after fourteen years' experience of the Classification Act.

21. You know the Officers' Institute did object to this?—I know that every time the Government has brought down Acts having for their object the improvement in the conditions not only of the Railway service but the Civil Service generally there have been objections. I know when they brought down the Superannuation Fund Act our men wanted everything for nothing, and it has been so with every Classification Act we have had, and it will be so I suppose till the end of the chapter.

22. They did object to this particular clause?—They took an unreasonable objection.

23. Did the members of the Second Division object also?—I do not know what the members of the Second Division did. I do not know that we should discuss them now. If I had definite knowledge of the facts I should state them straight out.

24. *Mr. Ross.*] You remember the passing of the Act of 1907?—Yes, I have a very vivid recollection of the passing of that Act.

25. And you remember that a telegram was sent from an officer at Wellington to officers in the country advising them that if members of Parliament insisted on placing the lower-paid Railway men on an equal footing with the Post and Telegraph Department the Bill would be withdrawn?—I do not remember anything of the kind. I have absolutely no knowledge of it.

26. You have heard nothing of members of Parliament receiving telegrams from officers intimating that they had been so advised?—No, I do not know what members of Parliament got.

27. You do not know that it was current talk in Parliament and Wellington that those telegrams sent to officers in the country emanated from a junior officer in the Head Office at Wellington?—No, and so far as my personal knowledge goes I should say it is incorrect.

28. *The Chairman.*] This proposed clause, while the words "maximum" and "minimum" are there, gives you power to reduce the status of an officer?—No, Mr. Chairman.

29. Well, my impression was that it did. Whether you require the power or not is another question. Have you had any legal opinion as to whether it is so or not?—The opinion is that it does not. We have not had a written opinion. We do not want the clause for anything of that kind, and simply stated clearly what was wanted. The Department gave the Law Officers the reasons, and stated what it wanted and asked them to draft a clause accordingly, and I take it we would not be able to reduce positions, and the clause is not for that purpose.

30. Well, it gives you power to increase the rate of pay of any officer beyond the scale increase?—No, the position is this: if a man is in between certain positions and is not giving satisfaction you may say that is the maximum salary for that man, but you may subsequently put the man up.

31. Then if it does not give you power to increase, or if you do not want it to give you power to increase, you want power to stop him at the point he has reached if the Department thinks he is being sufficiently remunerated for the service he is performing?—Yes, that is the position—exactly the same as the Post and Telegraph Department.

32. In other words, to withhold from him scale increases due to him under the Act?—No. If a man is holding a position which is not worth more, we will say, than £170, then the Department says that so far as that position is concerned, that is the maximum for it. If a man is fit for something better, then you can place him in a superior position and pay him accordingly.

33. Supposing this clause were operative and a Stationmaster were transferred to a station that did not allow of his receiving the scale increases, he might be promoted according to D.-3, but the station did not warrant his receiving the rate of pay because the station was not graded sufficiently high. Would this clause enable you to stop this Stationmaster at the grade of the station?—No. The minimum of every Stationmaster is £180, and they go on by increments to £200, which is the maximum for the lowest-grade station. If a man is at a station he would go to £200; if not fit for the job he would be taken out, but if he was left in charge of that station he would go to £200 a year, unless, of course, he was recommended for punishment, and then his increase could be withheld for one year, but that would be done under the present conditions.

34. But suppose a man were entitled to promotion and you had no station to place that man at, would not this clause enable you to practically reduce his position?—No, that is not the intention of the clause.

35. It may not be the intention?—No, it would not be used in that way.

36. Of course I am not suggesting that the Department wishes to use the clause improperly?—That is not the intention, and the clause would not be used in that way. It is for a good and sufficient reason which I could quite satisfy you or anybody else on if I was at liberty to state it. The Minister knows the reason.

37. Having regard to the inclusion of the word "minimum" and the other words "without annual increment" in the clause, you do not think it unreasonable of the institute to think that something is being done by the Department against the interests of the officers, as the institute has not got that explanation you have given to the Minister?—I say the institute has acted most unreasonably in connection with this matter. If the institute had asked the Minister for the reasons, I have no doubt the Minister would have given them, but the institute did not ask for the reasons: it simply opposed the clause right out without understanding its objects.