

since then we have increased the fares, and I understand the value of free passes issued would now be £100,000. That is, the passes the staff actually apply for and get. Then, in addition to that you have to take into consideration the £20,275 they save on superannuation contributions.

108. Well, there again you are opening up a big question, because the rates of contributions have been altered for the men?—Yes, the new men originally paid 3 per cent. minimum. The men who joined originally are paying 2 per cent. less than the Postal Department's officers, and there is a difference in the amount contributed per annum of £20,275.

109. Can you take the superannuation contributions into account when all the members of the Railway service are not getting the benefit of that 2-per-cent. reduction?—I take it, the men who are not paying the highest rates would have to part up, and there are about 7,900 of them.

110. *Mr. Arnold.*] In any case it does not come out of the Railway vote?—No, but it is a concession the men are enjoying as against the payments in a general way.

111. *Mr. J. V. Brown.*] They save 2 per cent. per annum now?—Yes.

112. *The Chairman.*] That is, provided the law is not altered, of course?—I have it here. Original contributions—3 per cent., 2,841; 4 per cent., 864; 5 per cent., 620; 6 per cent., 447; 7 per cent., 503; 10 per cent., 1,106: Then there is to be added the number who joined between 1903 and 1908, before the amended percentages under the Act of 1907 came into operation—31st December, 1907—these bring the total up to the following: 3 per cent., 4,685; 4 per cent., 1,135; 5 per cent., 663; 6 per cent., 432; 7 per cent., 450; 10 per cent., 538: total, 7,903. The number paying the same percentages as the Public Service at the present time is—5 per cent., 2,137; 6 per cent., 338; 7 per cent., 33; 8 per cent., 10; 9 per cent., 3; 10 per cent., 1: total, 2,522, who are paying the higher percentage. That is less than 25 per cent. of the whole contributors.

113. *Mr. J. V. Brown.*] And what is it in the Postal service?—5, 6, 7, 8, 9, and 10 per cent.; and nearly 8,000 of our men pay 3, 4, 5, 6, 7, and 10 per cent. There is a difference of 2 per cent. all along the line, except in respect to the 10 per cent., and the minimum was made 3 per cent.

114. The ages of the people paying 10 per cent. would be fairly high?—Yes.

115. *The Chairman.*] Coming back to my original question about the passes and privilege tickets being withdrawn, do you not think it would pay the Department to withdraw the passes and privilege tickets which are costing £129,000 and give the members of the service the same conditions as the Postal?—But you have to take the whole service into consideration.

116. Instead of giving £129,000, supposing you take the proportion of that represented by the concessions to the First Division, would that be equal to or greater than the increased amount that they are asking for?—Well, I have not separated it.

117. Do you think you could get at it?—Yes, I could, but it will take time.

118. And could you give the Committee the information later?—Yes, I will endeavour to get it for you.

119. Regarding Regulation 56, what was the drift of the suggestion made by Mr. Young?—I take it that Mr. Young was endeavouring to show that the regulation was *ultra vires*, because I stated there was no specific provision in the Act to enable the Department to grant four weeks' sick-leave. The only provision in the Act is that the Department shall grant members leave of absence not less than one week in a year. I pointed out that there is no mention there of sick-leave, and that the sick-leave regulation was a concession, something the Department gave. It is a generous provision made by the Department to meet the circumstances of the staff. The power under which the Department made that regulation is contained in a general clause in the Act which says that the Governor in Council may make regulations for giving effect to the Act, and after dealing with certain items it says, "Generally for any other matters, &c." The sick-leave regulation was made under that general power, but there is no specific provision in the Act, and the Department is not compelled to have that sick-leave regulation. The Department could strike it out to-morrow and the staff would have no legal claim, and they could not reasonably claim that they had a grievance.

120. Regarding those five men who were walking about Wellington, the inference to my mind from your evidence was that some of those men took the sick-leave because they were unable to get their ordinary holiday leave?—The statement I made, sir, was to the effect that I thought that in one particular case a man had asked for his leave and he had been told that he could not get it, and he said, "Very well, if I cannot get it I will have to go off sick"; and I think that was the reason that made the member of the staff who mentioned the matter to me take notice of it.

121. Well, if that man had gone off sick to get his ordinary holiday leave, and that leave was due to him, the Department would not be suffering?—Yes, it would. The position was this, as I explained: in quite a number of cases the men who went off on this sick-leave remained off for four weeks and then came along and said that an extension would set them up, and as the relieving officer was there they would be glad if they could get their annual leave in addition.

122. I was assuming that the officer would be honourable enough to realize that he had had his holiday leave by taking it as sick-leave and there let it rest?—Our experience was not in many cases in that direction, unfortunately. They did not regard sick-leave as a set-off against their annual leave.

123. *Mr. J. V. Brown.*] Apparently those men who went off seemed to have their own pleasure more at heart than the service?—Yes, indications pointed that way. They never thought of the Department or their fellow-officers, and the Department in deciding its course of action was considering the men who were doing the right thing. It regarded it as being distinctly wrong to punish the honest people for the dishonest.

124. *The Chairman.*] When you give us the information regarding those five men, will you also tell us how long it was previous to their walking round Wellington since they had had holiday leave?—Yes, I will endeavour to get that information for you.