3 B.—5.

It will be observed from an examination of the statement given by the committee whose report I have just read that the question raised by the various organizations is not so much a matter of restoring something that the present employees of the Service have lost—which the term "restoration of salary cuts" naturally implies, and which is apparently the impression of some honourable members—as an adjustment of grades of salary. It will be appreciated that there has been a great number of changes in personnel in the various Departments by way of retirement, promotion, and alteration in individual classifications since 1922, and, as pointed out by the committee, the only question which can reasonably be considered is not one of a general increase of every public servant's salary, but an adjustment by way of regrading or reclassifying, based on a careful analysis of the particular merits of each individual case or class of cases.

The foregoing explanation does, I consider, materially alter the complexion of affairs; and, indeed, I am assured that a large section of the officers of the Government Service realize the impracticability at the present time of making any adjustment by way of an all-round increase in rates of pay. The only practicable and reasonable method of dealing with salaries is by way of a general regrading of the Service—which has already been partially accomplished and is in course of completion. In the case of the Second Division of the Railway Service (which is not affected by the regrading), the rates of wages and conditions of work are being constantly brought under review for the purpose of making adjustments as circumstances may from time to time seem to justify, and a number of such adjustments

has been effected since the cuts were made.

It may be felt that perhaps a distinction should be drawn in respect of the Post and Telegraph Department, where there is a greater number of officers on the lower scales, but it must not be overlooked that the Post and Telegraph Department, in common with other Government Departments, is a classified service, the members of which are classified and paid salary according to the value of the duties they are required to perform. In a classified Service it is not possible to increase the salaries of one group of employees without upsetting the balance or disturbing the relationship between the respective classes or groups of employees.

So far as comparison can be made, the salary scales paid to the groups of lower salaried officers in the Government Service compare favourably with the rates of

remuneration in outside employment.

In regard to the second matter raised by the deputation—namely, the position of those officers of the Post and Telegraph Department who are at the maximum of £295—the Post and Telegraph Department is in a somewhat different position from the other branches of the Government Service, inasmuch as there is a greater proportion of officers in that Department on lower salaries than in other Departments. I have conferred with the members of the committee who submitted the report I have quoted, and as a result an attempt will be made to promote the more deserving of these officers, and particularly those who are qualified for promotion. This arrangement must necessarily be restricted to a proportion of the staff, but it will alleviate the position. In addition, as I shall refer to later, qualified officers of the Post and Telegraph Department will be given an opportunity of transferring to the other branches of the Government Service should they so desire. This arrangement will meet the position of certain junior officers, to whom reference was made, for whom it has not been possible to find positions carrying higher salaries. These officers, if qualified, will be considered for transfer as opportunity arises.

The other matter raised was the one I have just touched upon—namely, a request for the removal of a restriction which prevents members of the Post and Telegraph Department transferring to the General Public Service. There is no such restriction; but a restriction was provided in the Post and Telegraph Department Amendment Act of 1918, at the express wish of the Post and Telegraph Officers' Association, preventing officers from the other Departments being appointed to the Post and Telegraph Department. There is no objection by Government to the repeal of this provision. At present officers of the Public Service are not eligible for transfer to the Post and Telegraph Department, and if officers of the latter Department are to be enabled to transfer to the Public Service, members of the Public