

*Right Hon. Sir Joseph Ward :* We have it before us for the first time to-day that in 1940, with the natural expansion and the expenditure for the extension of telephones and for the replacement of telephones, the cost will be considerably over a million a year.

*The Chairman :* From £129,000 to £1,960,000.

*The Right Hon. Sir Joseph Ward.]* While it is admitted that the rights of the rank and file of the Service should be preserved, there is a feeling that enormous responsibility, outside of the rank and file, is to devolve upon the new executive of eleven. There should be no room for an expenditure being put through which did not meet with the full approval of the chief executive officers?—The answer to that is that the Chief Executive Officer is just as likely to err as the Promotions Board; but the Chief Executive Officer having made his decision, it must stand—there is no appeal; whereas the Promotion Board, in the event of it committing an error, is in the position of having its finding altered by the Board of Appeal—not necessarily in every case, but in a case where an officer feels aggrieved.

We want to get to the value of the representations made, as to whether an injustice is being done. There is no increase of salary to any of these seven men?—No.

They all go in at the same salary. They do not bar a man who is not selected from anything in the way of increased salary?—I presume the officers already in the positions will be confirmed. It is the future that we are more concerned about, and it is probable that appointments to these positions may be made within a short time, and then will be the occasion when the Head of the Department will recommend to the Governor-General in Council certain individuals who shall be appointed to these positions. I would like to point out, too, that the whole of these positions are not administrative controlling positions as you probably understand them. For instance, the position of Chief Postmaster at Auckland, and also the District Telegraph Engineer at Auckland and Wellington, are included in this category of salary of £765 per annum. I would like to put my opinion to you that these officers in no sense of the word are departmental administrative officers in the same sense with the Secretary, or Assistant Secretary, or Chief Telegraph Engineer. Those officers automatically come under the operation of clause 20 from the fact that their salary is above that mentioned in the clause. And I advance the opinion that if they should be appointed by Governor-General in Council they are District Controlling Officers—no more and no less. It may be that by the growth of business others may pass over that salary bar in the next few years. The point is if that does come about, when it does those positions will be filled by the Governor-General on the recommendation of the permanent head of the Department, with consequent loss of appeal rights.

*Right Hon. Sir Joseph Ward.]* I want to ask the witness if it is in practice not a fact that district officers—the Chief Postmaster and Engineer in Auckland—they have nothing to do in the matter of settling differences regarding appointments which have been conducted by the heads?—No, they would not come into it in any way.

You are not complaining of any possible interference with those officers?—No, sir, there is no complaint on that score.

What is this alleged statement that there has been a breach of agreement between the officers and the Service?—I would like to be clear on that point, and would say that a breach of agreement did occur, but it has been satisfactorily settled since the Bill was first introduced. The agreement was entered into in 1921, when Mr. Coates was Postmaster-General, and an undertaking was given by the Minister that matters particularly affecting the salary rights of officers, or any group of officers, would be referred to the association. That agreement has been adhered to by the Department, and in no case have the regulations been altered affecting the staff particularly without reference to my organization. On this particular occasion, however, this clause was not submitted to us, and I have accepted the Secretary's assurance that he did not think that we would be sufficiently interested in it to want to have it placed before us. We came to an agreement in the end on that point, but we did not surrender our right to object to the clause.

*The Chairman.]* It has been settled to your satisfaction?—Yes, the question of breach of agreement has been settled.

*Mr. D. Jones.]* You agree that the four officers should be appointed by the Governor-General?—We have never objected to that.

How many years has that been in operation?—Since 1918.

You would agree, Mr. Carr, that as the Post Office business develops it may be required that these numbers should be increased?—Well, it is a difficult question. I would like to point out that the intention at present is not to raise these officers into the Administrative Division. If that was done perhaps I would be able to put forward a different answer; but it is not the case—they are not being raised to that small division including the Secretary, his two Assistants, and the Chief Telegraph Engineer.

Your business is increasing rapidly—developing rapidly. Would you say definitely, for your organization, that that four should not be increased at any time?—I would not say that. I have personally held the opinion that the Chief Accountant should be a member of the Administrative Division as its financial adviser. That, of course, is a matter that has not been discussed by my organization, and when I say that I am speaking as an individual.

That is a vital point—as to whether, if your business develops, that four should remain or increase. You yourself say it should be increased by one?—I cannot see any reason why it should be increased beyond that stage of one. As a matter of fact, logically there is only one Administrator of our Department responsible to the Government.

But you agree to four?—We have never objected to four at all.

Who do you think should be the fourth—should there be four, or five, or six, or eleven?—Well, of course there is only one officer that the Government would listen to—the Administrative Head of the Department.