

be reclassified, but that all the salary scales, from message-boys to executive officers, be increased generally; and the representations made to me by the representatives of the three parties were in the direction that special consideration in this regard should be given to the officers of the Post and Telegraph Department.

All Departments—*i.e.*, Railways, the various Government Departments under the control of the Public Service Commissioner, and the Post and Telegraph Department—now have the same scale of salaries, and Government could not consider giving an improved scale to one section of the Service while denying it to others.

In order that the whole of the representations made by the various Service organizations might be fully considered, and the full financial effect reviewed, as already indicated I referred the matter to a committee, consisting of the Public Service Commissioner, the General Manager New Zealand Railways, the Secretary Post and Telegraph Department, and the Secretary to the Treasury, for report; their report is as follows:—

“ We have carefully considered the representations which have been made to Government by the various organizations with regard to what may be regarded as the restoration of the salary cuts.

“ To restore the salary cuts in the several services at the present time, after making allowances for the improvements which have been granted, would cost at least £1,000,000 per annum.

“ We are of the opinion that a general attempt to restore these reductions or to increase generally the salary scales is not warranted, practicable, or capable of equitable adjustment, mainly for the following reasons:—

“ 1. That the present maximum salaries for the lower grades of the services are largely in accord with the rates of remuneration generally paid in outside employment (as far as they can be reasonably compared):

“ 2. That in individual or other cases where the responsibilities of the officers warrant, there is machinery by way of regrading for meeting such cases without affecting the whole services:

“ 3. That there have been fresh appointments to the services and new positions created due to extension of State services, since the cuts were made:

“ 4. That there has been a subsequent general regrading of the services, which has taken into consideration the relative responsibility of positions both in relation to other positions in the services and to comparable positions outside the services:

“ 5. That officers generally had the right of appeal to independent Boards of Appeal as to their salary and grading:

“ 6. That the statutory quinquennial regrading of the services is again being undertaken this year, when further opportunity will be afforded to adjust salaries in relation to the value of the service rendered and the responsibility involved:

“ 7. That restoration of the salary cuts as such, or the general increasing of all salary scales, would have a far-reaching effect, and would tend to create a false standard of values that is bound to have a reactionary effect.

“ There may be certain cases of hardship, but these can be individually considered in connection with regrading which is under review. The determination of these cases, however, should be left to each separate administration to deal with.”

The financial position of the Dominion was pointed out plainly to the parliamentary deputation, and I think was fully appreciated by the members thereof. The present is not an opportune time for considering any claims of this nature, involving as they do an additional expenditure of more than a million pounds per annum, more especially when one considers the amount of unemployment which exists and the additional taxation for other purposes which it has been necessary to impose to enable the Budget to be balanced this year. It must, I think, be apparent to all that the granting of these requests would necessitate a further burden by way of taxation.