

£11,304 for the 1,884 members. Of course, it goes without saying that there must have been a reduction in the amounts of the salaries when there was a reduction in the grades. There was a smaller number at £255 in 1910 as compared with previous years, which means that it has reduced the amount. I can show that the decrease in 1910 as compared with 1909 was approximately £9,000. In the statement it shows an increase—namely, the difference between the amount for 1909, £316,515, and that for 1910, £326,064—but, of course, the scale increases were responsible for the bulk of that.* Speaking from memory, I think the promotions were comparatively small—

6. *Hon. Mr. Millar.*] In 1909 and 1910 there were no promotions made in any branch of the Civil Service at all?—Yes, that statement was made last session, and that fact was admitted. Well, at that time, 1910 to 1911, we were in the record year of the Department, and I think 1910 was a worse year for promotions than the year 1909, taking the periods as at 31st March. Mr. Chairman, it will be interesting to see whether the salaries in the First Division have increased out of proportion to the expenditure of the Department. We know there have been increases in wages all through the country since 1901, and we know that there must be a certain sum spent each year in salaries by way of scale increases. The Department has to do that in its own interests to keep the service up, and that was proved in 1907 when the Department brought down the Act giving higher salary for the cadets' lowest grade. We admit that £19,000 to £20,000 is spent in scale increases, but that should not be the means of pulling down the men in the higher grades. I will now quote from a statement showing the ratio of total salaries paid in Division I to the total earnings and total expenditure of the Department for six years ended 31st March, 1911:—

Year ending March.	Total Expenditure of Department.* £	Total Salaries, First Division.* £	Percentage.*
1911	2,303,272	326,064	14.16
1910	2,169,474	316,515	14.59
1909	2,114,815	292,585	13.31
1908	1,949,759	285,340	14.63
1907	1,812,482	240,542	13.27
1906	1,621,239	228,560	14.09

Taking the percentage in 1906 (14.09) with that in 1910 (14.16) there is scarcely any difference relatively; but what was the position regarding the profits of the Department in those years? It was as follows:—

Year.	Net Profits of Department. £	Percentage on Capital of Open Lines.
1906	728,465	3.24
1907	812,118	3.45
1908	812,179	3.33
1909	814,711	3.13
1910	1,080,316	3.80
1911	1,190,910	4.06

So that I maintain it cannot be said that the amount spent on salaries in the First Division has increased out of proportion to the expenditure of the Department, and if you take into account the net profits for 1906 as compared with 1911, I think you will agree that the case is decidedly in our favour. Mr. Chairman, I will now deal with the total salaries as against the total earnings of the Department:—

Year ending March.	Total Salaries, First Division. £	Total Earnings of Department. £	Percentage.
1911	326,064	3,494,182	9.33
1910	316,515	3,249,790	9.74
1909	292,585	2,929,526	9.99
1908	285,340	2,761,938	10.33
1907	240,542	2,624,600	9.16
1906	228,560	2,349,704	9.73

After showing an increase of £1,144,478 the percentage was 9.33, a reduction in 1911 as compared with 1906. A little while ago, Mr. Chairman, I proposed to refer to the rate of progress in the First Division of the Railway service, and in order to do that it is necessary to take the second lowest grade—that is, the ninth grade. I shall endeavour to give an accurate illustration of the present rate of advancement in the First Division of the Railway service, and setting out the whole position of members in the ninth grade, which is the lowest grade, save one, in the First Division, and under the scale of salaries in the petition, we are asking that the ninth and eighth grades under the present Classification Act be amalgamated—that is the Postal scale, £260.

7. That is to say, you go up automatically to £260?—Yes, no stopping. The ninth grade (£210 minimum and £220 maximum salary), which is the lowest save one, has a membership of 278, and includes Stationmasters and clerks with twenty to twenty-five years service, Locomotive Foremen with twenty-seven to thirty-six years' service, Inspectors of Permanent-way with twenty-two to twenty-nine years' service. The average length of service of each member in that grade is twenty-five years—that is, taking all the services. But I would explain, for this reason, that an officer who is recently promoted from that grade has only twenty-two years' service, but was fortunate in this respect, that when the Classification Act, 1907, was passed he only had to wait one year at £180, and the others who came on afterwards waited three years. Consequently he has

* See Exhibits B and C.