

received increases in salary under the present Act. Although practically no alteration was made in the schedule of pay in the other grades, yet, if a larger number of promotions had taken place to the middle and higher grades, it could be said that the Act conferred a benefit in that way. If promotions had been more liberal after the passing of the Act than before we would be willing to admit that there had been benefit in the promotions. The Hon. the Minister said there had been no promotions since 1909.

8. No, I said there were no increases in salaries in 1909. You got your scale increases while others who had not been classified could not. You got your scale increases all the time, and the Postal Department got theirs, but the money was not there to provide increases, and we were not going to tax the people to do it?—When the delegates from the institute met you that year they did not press for any increases.

9. No; when I put the position before them they accepted it?—The request the next year was that the status of the positions was to be kept up. If their representations in 1910 had received better consideration we might not have been here to-day. The following is a statement showing the estimated cost of promotions on the basis of the best year since 1905—*i.e.*, the highest number of promotions in any one grade in any one year :—

Grade.		Number promoted.	Expenditure First Year.	Number in Grade at 1st April, 1910.
From	To			
2 (£600)	1 (£625)	...	...	1
3 (£525)	2 (£545)	3	£60	4
4 (£450)	3 (£470)	6	£120	11
5 (£400)	4 (£420)	6	£120	6
6 (£355)	5 (£370)	7	£105	27
7 (£300)	6 (£315)	9	£135	41
8 (£255)	7 (£260)	24	£120	75
9 (£220)	8 (£240)	38	£760	122
10 (£200)	9 (£210)	71	£710	278

£2,130

The Department has on many occasions referred to the fact that they gave liberal promotions in the year 1905, but I have taken it out on this basis, and for one year it would cost £1,679 so far as promotions go, and that was the position in the two years that we interviewed the Minister. I have also a statement showing the estimated cost of promotions for the year ending 31st March, 1912, on the basis of the average for three years ended 31st March, 1907.

Grade.		Number promoted.	Year 1911. £
From	To		
2 (£600)	1 (£625)	...	...
3 (£525)	2 (£545)	3	60
4 (£450)	3 (£470)	6	120
5 (£400)	4 (£420)	6	120
6 (£355)	5 (£370)	7	85
7 (£300)	6 (£315)	7	85
8 (£255)	7 (£260)	14	70
9 (£220)	8 (£240)	27	540
10	9	57	570

£1,690

Referring back now to where I left off in my statement with reference to the rate of progress in the First Division of the Railway service, I wish to say that, although practically no alteration was made in the schedule of pay in the other grades, yet, if a larger number of promotions had taken place to the middle and higher grades, it could be said that the Act conferred a benefit in that way. On the contrary, however, with the exception of a small increase in the membership of the fifth and sixth grades on the 1st April, 1908, the other grades—excepting, of course, the ninth—have actually been reduced in membership. To quote one example: On the 1st April, 1910, there were seventy-five members in the seventh grade (£300), as against eighty-three on the 1st April, 1908, and seventy-four on the 1st April, 1906. In the circumstances, is it any wonder that there have been expressions of discontent? I can assure you, sir, that this is not an agitation with any ulterior motive, and I venture the opinion that so long as the grades remain as they are at present, together with the present rate of progress, so long will you have discontent in the service, and I consider that that discontent will grow. The foregoing remarks are somewhat beside the question of abolishing the ninth grade, and are made merely to show that the present Classification Act was actually the cause for the reduction in the grades above No. 9 (particularly Nos. 8 and 7) so as to make up for the increase granted to the cadets and the tenth grade. Departmental officers who are in a position to speak on these matters have over and over again made statements to the effect that, as so much had been done for the cadets and the lowest grade (No. 10), the grades above the latter must expect to suffer in consequence. The effect that the present Classification Act has had on the First Division as a whole requires looking into. The fact that there were no promotions in recent years was fully admitted in the Railways Statement submitted to Parliament in 1910. A reference to *Hansard* for 1907 will show that a strong protest was made by the Railway officers against the ninth grade as constituted in the present Act. I think on that occasion speeches were made by you, Mr. Chairman, and also Messrs. Ross and Poland. I will now deal with positions filled by members in the ninth grade. An impartial review will show that the positions held by members of the ninth grade are entitled to be rated at a higher salary than £220 per annum. Reference to the Railways Statements will convince any one that the