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place it should promote another officer instead of the man first referred to. The adoption of a principle of this kind would very soon place the Department in serious financial difficulties, and would, moreover, lead to very great dissatisfaction among the members of the staff who were in the lower grades and who might at the same time be carrying out duties of a much more onerous character than those devolving on the officer in receipt of £300 per annum, owing, of course, to the alterations that had taken place in the circumstances. Officers who are entitled to promotion obtain the promotion in due course, and are not detrimentally affected by the practice of the Department in raising the status of one position and reducing the status of another when the circumstances necessitate such a course being followed, the examples given in Schedule A of the petition notwithstanding. Every officer who has occupied any of the positions referred to in that schedule has invariably worked through the various intermediate classes to reach the maximum ultimately attained at the time he relinquished the position, and the mere fact that the new appointees to the positions are receiving at the moment less pay than their predecessors does not warrant the conclusion of the petitioner, and is not a correct indication of the position. It is a fact well known to the officers of the Department that when men reach the top of their class they are further promoted, provided the positions held by them are considered by the Department to be worth the higher rate of pay and the circumstances under which the positions were previously paid have not altered. The petitioner, while advancing the statement that the value to new appointees of certain positions shown in Schedule A appears to be below what the original occupants fully received at the time they relinquished the positions, studiously avoids making any mention of the large number of other positions that have been raised in status and pay throughout the Railway service of the Dominion during the past ten years. If it is contended that a position once increased in value should never be reduced, then it follows that the same argument must be applied conversely to those positions which have been raised from a lower class to a higher class. The review of staff, which takes place annually, is for the purpose of ascertaining the suitability of the staff for promotion, and the variation in local conditions that may have arisen from fluctua-tions in traffic and other circumstances. These alterations have necessarily to be dealt with as circumstances warrant. The petitioner further carefully overlooks the fact that a number of positions shown as having been reduced were never worth the higher money, but, owing to the generous practice followed by the Department, the maximum number of men has of late years always been promoted although there were many cases in which the utmost difficulty was subsequently found in suitably placing such men. Indeed, in many instances the men were placed temporarily in positions that the Department realized were not of sufficient importance to justify the payment of the higher rate of pay, and were allowed to remain in those positions until such time as suitable openings occurred, when they were, of course, transferred.

(7.) A general statement such as this is very easily made, and is just as easily met by a general denial. I can hardly think that the petitioner has made the statement seriously. Assuming that he has done so, it amounts to neither more nor less than an indictment of his own members for dereliction of duty. The system of promotion commences with the men in the lower ranks who are in charge of one or more men. Each such person is annually asked to report to his superiors as to the suitability of the various men under his control. These reports form the basis on which the qualifications of the respective men are considered for promotion, and on which their increases in pay and promotion are granted or withheld. A country Stationnuster with one or two men under his control has to report to his Traffic Manager respecting those men; other officers having a larger number of men report similarly to the officer in charge of their district. Finally the District Officer reviews the whole position in conjunction with the heads of branches, and the latter in due course transmit to the Head Office their recommendations. These, as already stated, are based on the reports of the officers in immediate control of the men, and promotions are made from time to time as vacancies occur, the men who have been recommended being taken in turn and placed respectively in positions for which they are deemed to be suitable. There are, of course, many instances in which officers are recommended for one position but considered to be unsuitable for another. In such cases, should the position vacant be one for which the senior officer is stated to be unsuitable, the first suitable man below him is promoted. Moreover, it is the invariable practice of the Head Office to compare the recommendations made each year with those for the preceding year, and whenever there is a variation which is against the member concerned inquiry is at once instituted and finally completed before the last recommendation is acted on. possible care is exercised in making promotions, and no member who is recommended as being

(8.) I do not agree with the views of the petitioner that the remuneration fixed by the present Act is inadequate for the services required from officers, nor do I consider that it necessarily follows that Stationmasters who are performing duty at combined offices are inadequately remunerated, or that the fact that the Postal Department, after transferring the postal work from railway-stations, pays the Postal officer a higher salary than the Railway officer is any criterion as to the value of the positions. The Railway Department takes into consideration the value of the whole of the work carried out at combined offices, and not infrequently classifies the station at which combined work is carried out in a higher grade than it otherwise would do. Furthermore, when the combined work is taken over it almost invariably follows that the Railway staff at the station is increased, and this increase in staff is in many cases given solely on account of the additional

work that has to be performed for the Postal Department.

(9.) The Railway Department is fully aware of the fact that there is a difference between the Postal and Railway Department's classification rates of pay, and that Railway officers have in the past endeavoured to obtain the same rates of pay as are granted to officers of the Postal Department. The conditions, however, are not by any means analogous, and it does not necessarily follow that because on paper the Postal Department's scale of pay may appear more advantageous, it is so