

the wish of the Legislature. I have already explained that they were unable to discover that a reduction of the existing services was required. It was their more economical management that was demanded.

Exclusive of small but necessary savings of an extraneous character, to all of which the Government have given their attention, the chief saving to be effected was in the number and salaries of the Civil servants: In studying what could be done of this nature, Ministers were confronted with the consequences of bygone engagements in the shape of pensions and retiring allowances to which Civil servants who might be dispensed with would be entitled. Each case has to be considered on its own merits, for in many instances, where the natural growth of a service is certain, it would be a loss to part with a good man on heavy terms of compensation when fresh assistance would soon be required. But again, in some cases it appeared likely the permanent dimensions of the service could be limited, and consequently could with advantage be at once curtailed. Besides present reductions, the Government have laid the train for large savings of expense in the future. Before detailing these steps, I wish to say that, in my opinion, ten years hence the difference in the cost of the Civil Service, between what it would have been under the provisions prior to last year and under the new conditions, will be equal to a reduction of 20 to 25 per cent., supposing, of course, the new conditions will be maintained.

The reductions the Government have made occur principally under the following heads:—

- (a.) Reduction on travelling expenses.
- (b.) Doing away with offices and dispensing with officers.
- (c.) Amalgamation of offices.
- (d.) Savings in appointments to vacated offices.

Under these heads the alterations already made will result in a considerable saving, and the steps taken to continue efforts in the same direction will lead to yet larger savings in the future. To secure these the Government have determined that when vacancies occur the office vacated shall, if possible, be amalgamated with some other office, or, failing this being practicable, that there shall be a considerable saving in the salary attached to the appointee to the vacant office. The scale of such reductions has been laid down, and many honourable members will appreciate the importance of the further provision made by Ministers (which however is, of course, open to remission by future Governments), that where any departure is proposed from the conditions just mentioned the Cabinet shall be consulted.

A classification list has, moreover, been drawn up. It will be found attached to the tables circulated with the Financial Statement. After the session an endeavour will be made to place each officer in the service within one of the divisions set forth. The classification will confer no claim to yearly increase or to promotion by seniority, but, other things the same, it will tend to more consistent dealing with the Civil servants. Hitherto, owing to the disparity of their positions and the difficulty of comparing them, there has existed more or less dissatisfaction at supposed inequality of treatment. Departmentalism, if I may use such a word to express the exclusiveness of departments, places difficulty in the way of amalgamation of services, especially in the kind of amalgamation suitable to country districts, where one officer might act for several departments. The Government are averse to assigning separate salaries for special duties. As a means of breaking down the walls of division, the Committee will see by the Estimates that we have amalgamated under the one head of Treasury and Inland Revenue the several departments of the Treasury, Customs, Marine, Stamps, Property-tax, Lands and Deeds Registry, and Post Office and Telegraphs. The chief officer of each branch and the Minister or Ministers will form a Board, which will sit periodically with the view to find means of enabling the employés of the different branches to act interchangeably. It will not be necessary that one Minister only should preside over all the branches. If the members of the present or a future Government desire to re-divide the departments over which Ministers at present preside, it will still be open to them to maintain the consolidation of this great department.