

reductions made in 1931. The heads of Departments (or departmental general managers) receive salaries ranging from £1,225 in the case of the smallest Departments to £2,025 for the Secretary to the Treasury.

The Commission is aware of much higher salaries being paid to business heads in private enterprise and in State organizations. For instance, the Chairman of the new Licensing Commission is paid £2,250 and the two members of the Commission £1,750 each; but the Director of Education only £1,625, and the Secretary of the Department of Scientific and Industrial Research only £1,475. The salary of the Governor of the Reserve Bank is £3,000, compared with £2,025 for the Secretary to the Treasury. Distinctions of this kind are not compatible with payment for responsibility and must, in the long-run, be harmful to public administration in New Zealand. In many cases the responsibilities of executives in private and State-owned organizations are not as great as those of many Permanent Heads.

Realizing that a similar state of affairs existed, Governments in both the United Kingdom and in Australia have recently increased the salaries of their departmental heads, while the President of the United States has made recommendations to Congress for legislation to increase the pay of heads of Departments.

In the United Kingdom a Committee headed by Lord Chorley "to advise Ministers as to the general level of remuneration of the higher posts of the Civil Service—administrative, professional, scientific, and technical—and on any particular principles involved" reported in February, 1949. The Committee's recommendations for the administrative class were :—

Permanent Secretary to the Treasury	..	Increase from	£3,750	to	£5,000
Other Permanent Secretaries	..	..	£3,500	..	£4,500
Deputy Secretary	..	..	£2,500	..	£3,250
Under-Secretary	..	..	£2,000	..	£2,500
Assistant Secretary (maximum)	..	..	£1,700	..	£2,000

From the Chorley Report (Cmd. 7635) we quote :—

None of our witnesses have argued that Civil Service salaries should be related to the highest individual salaries that can be attained in the most highly competitive professional and commercial posts, and we are satisfied that they should not be so related. The Civil Service is and will remain a service in which dazzling individual rewards are inappropriate. The Civil servant does not have to assume the individual and financial risks that arise in commerce and in industry. The constitutional responsibility for his decisions rests with Ministers. On the other hand, undue importance should not be attached to this, as it is more than counterbalanced by the great weight of responsibility arising from the vital and urgent public interests which are continuously dependent upon the work of senior Civil servants. The heaviest jobs in the other professions and in commerce and industry are not more exacting than those undertaken by senior Civil servants (page 5); and

... we should have wished to recommend £5,000 for the Permanent Heads of Several Departments where we think the burden of responsibility is particularly heavy . . . £5,000 is the salary of a Minister of Cabinet rank . . . We do not think that equality of salary would be incompatible with the proper relationship between a Permanent Secretary and his Minister . . . (page 9).

Salaries of some administrative posts in the Commonwealth Public Service were substantially increased in 1947, some by as much as £1,000 per annum. The highest rate paid was £3,500, and few were less than £2,000.

Also, in the United States of America the Hoover Commission, which was set up to make recommendations on governmental reorganization, has submitted a report on personnel policy. In this report the Commission concludes that salary ceilings for professional, scientific, technical, and administrative personnel are so low that many of the best men and women have left the Government Service. Increases for heads and assistant heads of agencies ranging from 75 per cent. to 100 per cent. have been proposed.

Government is an important business in New Zealand and salaries should be such as to attract and hold able administrators. Increases to a figure of £2,500 per annum would be fully warranted, having regard to outside incomes.

The Public Service Commission has no power to deal with salaries over £1,025.