

to the Public Works Fund. The Minister for Public Works will inform the House concerning expenditure on the Working Railways and in the Public Works Department, and the Minister for Defence and for Lands will enter into the necessary explanations concerning his departments. I am glad to say the expenditure in the Survey Department has been considerably reduced.

THE CIVIL SERVICE.

There has been no subject which has so much engaged the consideration of the Government during the recess as that of the Civil Service. It will be remembered that last session, or during the short previous session, my predecessor, Major Atkinson, held out hopes of large reductions in the cost of the Civil Service in connection with a system of classification. A Committee of Civil servants had examined into the subject, and had made confidential recommendations. We have examined and considered with the greatest care the observations and recommendations of the Committee. To most of the reductions mentioned we have given effect. For example, we have made several reductions in the Treasury by adopting, as far as possible, the suggestions for avoiding keeping unnecessary accounts. It may be remembered that I referred to the possibility of saving money in this direction in the Financial Statement last year. There are also savings proposed in the Audit Department. I do not regard this department as one in which the saving of money is the first consideration. It has work of the greatest value to perform, the cost of which should not be grudged. The changes in this department we now propose are not primarily dictated by economy, but rather by anticipations of possibly increased usefulness. We came to the conclusion that the audit of railway way-bills was unnecessary in the face of the check upon those documents the department itself maintains, and the Controller and Auditor-General deferred to our opinion. We further decided that the general audit of the railways could be left to the Railway Department's own excellent system, and that it would be better to let the Customs Department do its own audit. As to these two changes a Bill will be introduced, and I shall propose to refer it to the Public Accounts Committee. They will, I have no doubt, acquiesce in our opinion as to the railway audit, and on the whole also agree with us as to the Customs Department, about which, however, there is more doubt. As regards some of the changes in the Audit indicated by the Committee we do not see our way to adopt them. With other reductions suggested we have mostly complied, but they do not amount to much; and I express the opinion of the Government when I say that we do not consider that the departments are over-officered. The pay of the Civil servants in this colony is less than in other colonies, whilst the officers are certainly on the average not inferior in capacity and capability. The Civil servants are in the unfortunate position of being unable to defend themselves if they are attacked, and it is not a popular thing for a Government to defend them. I have had exceptional opportunities of judging, and I am of opinion that the Civil Service of New Zealand is subjected to a heavier strain of work than is the lot of other Civil Services. It is a service that is reasonably manned to perform the average departmental work of the year, and during a large part of the year—say, two months before Parliament meets and during the session—it is subjected to a heavily increased strain, and to that strain there is cheerful submission.

I now come the question of classification, which, in other words, means placing the Civil servants, to some extent, beyond the influence of caprice. I cannot see that classification is in itself an operation which directly saves expenditure. I have tested it in half a hundred different ways, and in no way do I see that it means less money, except in the inducements it holds out to the best men to continue in the service. The subject is a large one, and it is difficult for me to deal with it in the brief manner which the Committee, on an occasion like the present, has the right to expect. The Civil Service is composed of two classes of officers: the one, requiring technical knowledge of a kind not easily acquired, and a groove of mind of an essentially trained character; the other, requiring merely the accuracy and experience of well-qualified clerks. Although one may feel the difference