

proposed reductions in the several departments were shown, and that there was an undistributed amount of £74,050 to be saved from those departments on which no reductions were shown, from travelling allowances, and from reductions in the number of persons in the public service who are receiving salaries of £150 and under, or are paid at daily rates. The total salaries and pay of this class amounts to £638,519. The salaries of all other persons in the service of the colony, except police, military forces, and country postmasters, amounts to £365,754. I have had a table prepared showing the saving thus far made; and also, for the sake of easy comparison, I have had Table No. 10 reprinted. These tables will be attached to this Statement when published, and by a glance at them honourable members will see that in every department under the annual appropriations, except Defence, more than the promised reductions have been made; and that, of the £74,050 undistributed, £53,730 has also been saved. This saving of £233,097, although not so much as the Government had hoped to make, will, I trust, be considered by the Committee as a not unreasonable approximation to our undertaking of last session, as modified and approved by the House. The saving upon the Defence expenditure is £42,434. We had estimated to save £46,000, but my colleague found, upon going very carefully into the question, that it would not be prudent for the present to make further reductions than have been made.

It is not desirable that I should here go at any length into an explanation of the principles which have guided us in reducing the numbers or salaries of the Civil servants. That will be more conveniently done when the Civil Service Bill, which the Government have prepared and propose bringing in shortly, is before the House. I may, however, here state that we propose to classify the whole of the Civil Service, and strictly limit the numbers of each class by Act, from which no deviation will be allowed without the approval of Parliament. I may also briefly mention other important changes in the direction of simplicity and economy, without the sacrifice of efficiency, and therefore such as will, I am sure, meet with the approval of the Committee. We propose to amalgamate the Native Department with that of the Colonial Secretary, making it a branch of that department. Our intention is, before the end of the year, to abolish the Public Works Department. We shall propose to continue the construction of such of the railways as are to be proceeded with under the staff of the Constructed Railways; and to hand over the whole of the road-works to the Survey Department, which is already charged with a large part of that work; employing local bodies, where possible, in carrying them out. A large saving will be effected by this arrangement. And it will no doubt be strong and satisfactory evidence to the people of the colony and the outside world that we are really bringing our large borrowing policy to an end when the department which has been, if I may say so, its organ and symbol, finally disappears.

I may say that the reducing of the Native Department to a subordinate position, and its amalgamation with the department of the Colonial Secretary, has been made possible and desirable by the fact that the Natives are desirous of taking a larger share in the management of their own affairs, so as to reduce greatly the work of the Native Office, and that this desire the Government think it right to encourage and assist. Bills with that object in view are now before the House.

FUTURE PENSIONS AND RETIRING ALLOWANCES.

We propose to bring in a separate Bill, supplementary to the Civil Service Bill, providing for the payment of all future pensions and retiring allowances to Civil servants not now entitled to a retiring allowance, out of a fund which will be kept up by monthly contributions from all the members of the Service who are not now entitled to the privileges of the Civil Service Acts at present in force, with, perhaps, a small contribution from the State. The principle, we have no doubt, is a sound one, and its operation beneficial to all concerned.