

conditions arising out of the war with Germany . . . And whereas the increased rates of remuneration continue to be paid notwithstanding that a state of war no longer exists, and notwithstanding also that the cost of living has decreased and is likely further to decrease: And whereas it is essential in the public interest, having regard to the decreasing amount of revenue derivable from the usual and ordinary sources, that such increases as were made in the permanent charges on the public revenues by reason of the increased rates of remuneration aforesaid should be diminished . . .”

The Act applies to practically every employee in receipt of remuneration from the Government, with the exception of His Excellency the Governor-General; the Judges of the Supreme Court; the Judge of the Court of Arbitration; the High Commissioner for New Zealand; any person employed by the Government or by any other authority for a specific limited term of office pursuant to a contract made out of New Zealand; any person who is remunerated by fees or commission, and not by wages or salary; and any person who at the time of the passing of the Act was on leave of absence prior to retirement.

The Act provides for the reduction in remuneration to be made by three instalments, the first “cut” to take effect as from the 1st January, 1922, the rate of reduction being as follows: Over £1,250, 10 per cent.; £1,001 to £1,250, 9 per cent.; £901 to £1,000, 8 per cent.; £801 to £900, 7 per cent.; £501 to £800, £25; £321 to £500, £20; £191 to £320, £15; £190 and under, £10.

The Act further provides that, except in the case of officers in receipt of a salary in excess of £800 per annum, in which case only one “cut” was made, subsequent reductions should be applied on the 1st July, 1922, and the 1st January, 1923, as might be determined by the Minister of Finance and notified by notice published in the *Gazette*. In accordance with this provision a reduction in salaries was made from the 1st July, 1922, as follows: £191 to £800, £10; £190 and under, £5.

The Governor-General may from time to time make such regulations as are necessary for the purpose of carrying the Act into effect, in particular in the direction of providing for the adjustment of anomalies or for the relief of cases of hardship. This latter provision is very necessary, as the effect of the operation of the Act has been to create many cases which would have been distinct anomalies had they been allowed to remain in effect.

By regulations gazetted on the 16th June, 1922, a Board was established for the purposes of the adjustment of anomalies or hardship arising from the operation of the Act. This Board, which is known as the Adjustment Committee, consists of the following officers, viz.: The Public Service Commissioner, who is Chairman; the Secretary to the Treasury; the General Manager of Railways; and the Secretary, Post and Telegraph Department.

An amendment published in the *Gazette* of the 3rd August, 1922, adds the Director of Education to the Committee when applications for relief affecting the Education service are being dealt with.

The regulations provide that any person may apply to the Adjustment Committee for relief from the operations of the Act on the ground of anomaly or hardship, such applications being forwarded to the Public Service Commissioner, as Chairman of the Adjustment Committee, through the Permanent Head of his Department, who is required to furnish a report and recommendation in regard to each application. No application for relief under the regulations is considered by the Board in respect of any person in receipt as at the 31st December, 1921, of a salary at a rate exceeding £500 per annum; and no application for relief is granted where the person received the full cost-of-living increase given to officers subsequent to the 31st March, 1920. The regulations further provide that in the case of any workers who would be bound by an award under the Industrial Conciliation and Arbitration Act, 1908, if they were employed by an employer bound by that award, the Adjustment Committee shall ascertain the rates of wages payable under that award to workers of the same class, and, in determining whether or not relief should be granted, and the extent of such relief, shall take those rates into consideration, together with all other relevant facts.

SALARIES GENERALLY.

In the last report the Commissioners expressed the opinion that the present maximum of the lowest class for clerical officers—£320, Class VII—was too high