

Service should also be given facilities to transfer to the Post and Telegraph Department. In other words, there should be no “ring fence” round any branch of the Service.

I have the interests of the members of the Service at heart, and any arrangement which will give greater opportunities to the individuals comprising it or to any branch thereof will have my full support.

The deputation from the Public Service Association also raised the question of the financial position of the State superannuation funds. As mentioned in the Budget, the position of these funds is such that a thorough investigation is necessary, and I propose to appoint a special committee to go fully into the whole matter during the recess. It is quite clear that a considerable payment to the funds will be necessary to place them in a sound financial position, and in my opinion the superannuation question is of considerably more vital significance to the members of the Civil Service at the present time than the claims for salary adjustment which have already been referred to.

Another matter raised by the Public Service Association was the question of repealing the provision which they considered still existed for applying a third cut under the Public Expenditure Adjustment Act, 1921-22.

I have looked into this, and find that when considering this matter in December, 1922, the Government of the day decided that, although on the cost-of-living figures a third cut might reasonably have been applied, it was preferable to make any adjustment considered necessary by regrading the various services the following year. Before a third cut could be applied the Act provided that the Minister of Finance should publish a notice in the *Gazette* which would have taken effect from the 1st January, 1923, the date fixed by the Act. As this was not done the statutory power automatically lapsed, and there is now no provision for a further cut.

*Approximate Cost of Paper.*—Preparation, not given; printing (500 copies), £3 10s.

By Authority: W. A. G. SKINNER, Government Printer, Wellington.—1929.

Price 3d.]