salary exceeding £224 9s. but not exceeding £680 8s., an increase of $17\frac{1}{2}$ per cent., and an officer receiving £224 9s. and under, an increase of $11\frac{1}{2}$ per cent. to bring salaries up to the 1929 basis. For permanent officers under the control of the Public Service Commissioner, the annual cost of the proposed $7\frac{1}{2}$-per-cent. increase will be approximately £156,000, whereas a total restoration to 1929 salary rates would cost approximately £335,000 annually.

One unfortunate result from a classification viewpoint of the reductions being at different percentages has been a "drawing together" of rates previously differing by several pounds. As an example, the following typical case is quoted: A "leading hand" prior to the reductions had his additional responsibilities over other tradesmen recognized by an additional £10 per annum. Under the Finance Act (No. 1), 1931, this difference was reduced to £9, but in terms of the National Expenditure Adjustment Act, 1932, the difference in salary disappeared owing to the operation in one case of a 5-per-cent. reduction and in the other of a 10-per-cent. reduction. A similar anomaly occurs with the operation of a 10-per-cent. reduction in some cases and a $12\frac{1}{2}$-per-cent. reduction in others. It is recognized that such anomalies can effectively be adjusted only at a general regrading of the Service.

The following table, showing the alterations in the salary scales since the Public Service Act came into operation in 1913, illustrates the effect of recent salary adjustments on the present classification of officers. The table shows the cost-of-living increments granted in 1919 and 1920 to meet the increased cost of living at that time, and also the reductions that were made in 1922. It will be noticed that the reductions under the Finance Act (No. 1), 1931, and the National Expenditure Adjustment Act, 1932, even after allowing for the 5-per-cent. increase granted in terms of the Finance Act (No. 2), 1934, and the $7\frac{1}{2}$-per-cent. increase proposed in the Budget for the present year, have had the effect of bringing the salary scales to a substantially lower level than they were in 1920, and in most grades to a lower level than 1919.

CLERICAL DIVISION.

Class.	1913, Maximum.	1919, Maximum.	1920, Maximum.	1922 (January), Maximum.	1922 (July), Maximum.	1924, Maximum.	1931, Maximum.	1932, Maximum.	1934, Maximum.	1935, Maximum (proposed).
	£	£	£	£	£	£	£	£	£	£
VII	220	270	320	305	295	295	265	239	251	270
VI	260	300	350	330	320	335	301	271	285	306
V	315	350	400	380	370	380	342	308	323	347
IV	370	400	450	430	420	425	382	344	361	389
III	425	450	500	480	470	470	423	381	400	430
II	475	500	550	525	515	515	463	417	438	471
I	600	600	650	625	615	615	553	498	523	562
C, Special ..	..	750	800	775	765	765	688	619	651	699

The foregoing scale is that relating to the Clerical Division. The Professional Division scale is very little dissimilar, hence it may reasonably be taken that the scale is fairly illustrative of the salaries throughout the Public Service.

RAMIFICATIONS OF THE PUBLIC SERVICE.

To the casual observer the fact that the Public Service of this country is gradually growing in numbers furnishes sufficient material for the familiar cry that the Service is overstaffed. The ever-increasing demand for the expansion of social services of all kinds, however, must inevitably swell the numbers of State servants. The growth of the social-service State is, of course, political, and when times are good is probably looked upon by the taxpayer with a benevolent eye. In times of financial depression, however, the taxpayer becomes alarmed at the magnitude of the salary bill, and the oft-repeated cries of "overstaffing" and "financial prodigality" are raised. Once social services are established it becomes an exceedingly difficult matter at a later date to dispense with or curtail them. They have come to be regarded by the taxpayer as a right or necessity, and any curtailment is much resented.