

working on a strictly commercial basis, while the cost of administration of the National Provident Fund is not charged to the fund; and the Government Insurance Department is averse to taking over a branch of life-insurance business which has not yet been demonstrated to be a profitable one.

In the 1909 scheme of grouping Departments the essential advantage of combining the staffs was not carried out. In the instance I have just quoted the amalgamation of the National Provident Fund could be so complete as to abolish the principal officer; but in the case of the Friendly Societies it would no doubt be necessary to retain a controlling officer under the Government Insurance Commissioner, for the purpose of dealing with the many questions of an administrative and deliberative nature which necessarily arise. All the other work of the office, however, such as that of valuing friendly societies and keeping the necessary accounts, could be absorbed by the main Department. There would be no difficulty whatever in estimating the cost of the work from year to year and receiving payment for it from the Treasury.

There is always opposition on the part of officers to the amalgamation of Departments, owing to the fear that the importance of the existing Heads will be reduced. In the majority of cases there is no need to fear this; but what is absolutely certain is that a great deal of work of a more or less routine nature would be more efficiently performed, while the Permanent Head, often a professional man, would be relieved of the attempt to supervise clerical and other work about which he has no particular knowledge. As an instance of this, I take the case of a purely professional Department which is nominally a sub-department of another Department. I found that owing to the unexpected result of legislation the time of a principal professional officer was largely taken up with clerical work. From other causes the Permanent Head, also a professional officer, was also overloaded with clerical work. A clerk was provided for the first-mentioned officer and a shorthand-writer for the Permanent Head. It was then found to be unnecessary to appoint two additional professional officers whom the Permanent Head expected he would require—a saving of quite £800 per annum, besides leaving the Permanent Head and his next officer reasonably free to carry out their important professional duties. Had this Department been strictly a portion of the principal Department, instead of being so in name only, there would have been no difficulty of the kind, as the whole Department would have been available to relieve the professional officers of mere detail.

At present every small Department has its Accountant or Accounts Clerk, generally in addition to a Chief Clerk. I have no hesitation in saying that if half a dozen of the minor Departments were merged into one, and the account-keeping placed under the charge of a qualified accountant, the necessary work would be done more efficiently than at present, and at a quarter of the cost.

What is required in this Dominion is a limited number of Departments, in charge of Permanent Heads who will take control of all the clerical and accounting work and provide relief from one branch to the other as may be found necessary. Cadets entering such Departments should be required to pass from one branch to another in the early years of their career, so as to acquire a wide knowledge of the Department and be available for any branch. In small Departments cadets learn so little that their future usefulness is impaired.

Much cost to the country, and general inconvenience to all concerned, is caused by the necessity for professional Heads having to deal with staff matters. A Department with four or five clerical officers is almost overwhelmed when a slight pressure of work occurs, and the work of the Public Service Commissioner is unnecessarily increased by having to search among Departments to provide temporary relief. Such relief is rarely willingly given by Permanent Heads when it is required for another Department; but if large Departments were created as suggested, any hesitation on account of official jealousy or otherwise would disappear so far as the branches of that Department might be concerned.

The main point, however, is that the present system is unnecessarily costly, and not nearly so efficient as one with a limited number of Permanent Heads,