

who alone should be described as Administrative officers. The Departments I recommend are the following fourteen in place of the existing thirty-three :—

- (1.) Treasury, to include Advances to Settlers, Public Service Superannuation, and Old-age Pensions.
- (2.) Internal Affairs, to include Public Health, Mental Hospitals, Immigration, Registrar-General, Statistician, and Government Printing.
- (3.) Education.
- (4.) Justice, to include Native, Cook Islands, Crown Law, and Prisons.
- (5.) Trade and Industries, to include Industries and Commerce, Mines, Marine, Inspection of Machinery, Labour, Patents, Tourist and Health Resorts.
- (6.) Agriculture.
- (7.) Inland Revenue, to include Land and Income Tax, Stamps, Lands and Deeds Registry, and Valuation.
- (8.) Lands and Survey, to include Lands for Settlement.
- (9.) Customs and Excise.
- (10.) Government Insurance, to include National Provident Fund and Friendly Societies.
- (11.) Public Trust.
- (12.) Public Works.
- (13.) State Fire Insurance.
- (14.) Post and Telegraph.

The Audit Department and the civilian members of the Defence and Police Departments are not included. It is necessary for the Audit Office to have a staff which should maintain an existence apart from a Permanent Head other than the Controller and Auditor-General. The present arrangement, under which a small proportion of the total staff of the Defence and Police Departments is subject to the Public Service Act, while the Head is not, necessitates those officers being treated specially.

In recommending a Department of Trade and Industries, instead of a number of independent Departments performing work which is more or less inter-related, I have in view the great developments likely to take place in the near future. Details of the administration of such a Department will, no doubt, be a matter for discussion. As a matter of convenience, I have suggested the inclusion of the Tourist and Health Resorts Department; but the work of this Department would probably be better performed by the Railway Department, the hospitals and medical officers under the Tourist and Health Resorts Department being transferred to the Public Health branch of the Department of Internal Affairs.

Unfortunately, the provision of accommodation for Government Departments in Wellington has not kept pace with the creation of new spheres of State activity and the consequent expansion of the Service, with the result that amalgamation in some cases will be difficult. There is no reason, however, why the building programme of the next few years should not be designed to carry out the proposals now made.

A striking instance of lack of co-operation of Departments came under notice in connection with coal royalties. The collections are made by the local Receivers of Gold Revenue, and in some cases by Receivers of Land Revenue. There was no supervision, the Receivers simply receiving such royalties as the coal-mine lessees might tender, and being in no position to check the figures. The Permanent Head of one Department stated that a second Department was under the impression that the first Department charged itself with full responsibility in the matter; but both the first Department and a third Department thought that a fourth Department was taking the responsibility. The result was that no one attended to the matter, and there was reason to fear that a large amount had been lost to the revenue in consequence. This has now been put on a proper footing by section 24 of the Public Revenues Amendment Act, 1913.

Similarly, the collection of timber royalties appears to have been performed in a haphazard manner, as is shown in the following extract from the report of the 1913 Forestry Commission :—