

(other than by way of regular promotion of their own officers who have qualified for such positions) should be made in order of merit from the Public Service Commissioner's list of candidates available for appointment. This arrangement is apparently giving satisfaction, and should ensure that lads are appointed to the various Departments of State in their regular turn, or, in other words, according to their order of merit on the examination pass-list.

MANAGERIAL CONTROL AND PUBLIC OPINION.

From time to time there is criticism in regard to the administration of Departments of State, such criticism not always being of an encouraging or helpful nature. This matter has been referred to in previous reports, but, as it is of such importance that no complaint should exist as to the policy of the Service, I deem it necessary to again refer to the matter.

All Departments are now required to furnish balance-sheets in a commercial form, and, with the exception of one Department, such balance-sheets have been duly furnished. This should undoubtedly result in increased efficiency and economy, particularly in regard to those Departments where undertakings of a commercial or a semi-commercial nature are carried out.

The following extract from a paper delivered by W. W. Marsh, Director of Establishments, Ministry of Labour, United Kingdom, will be of interest :—

As compared with other undertakings and services, public and private, national Departments of State hold a peculiar position in relation to those in whose interests they are created.

The directors of an ordinary commercial concern are responsible to the shareholders, and to them alone ; a municipal authority is responsible to the ratepayers ; but in the case of a Government Department the whole of the taxpayers of the country are in the position of shareholders, and they contain within their ranks strongly organized bodies of every shade of political and economic opinion.

In matters of staff-control and office-management Departments of State are expected to be model employers, while at the same time safeguarding to the full the position of the taxpayer, who has to meet the bill. If a Government Department imposes harsh or inequitable conditions of employment on its servants, or if the office machine does not function smoothly and efficiently, the responsible Minister is subject to a fire of parliamentary question and criticism. The community at large is ever on the watch for instances of waste, extravagance, or inefficiency in governmental administration, and the fierce searchlight of the public press is ever ready to bring into relief any weakness in the structure. So long as criticism is informed and constructive, this is all to the good ; but it will be realized that responsible heads of Departments have no easy task in piloting a vast and complicated governmental machine through a sometimes turbulent sea of conflicting forces in which dangerous and uncharted rocks abound. The complex nature of modern civilization involves complexity in Government administration ; and the business of government increasingly requires close study, a high degree of technique, and the constant readaptation of administrative method. It is the duty of the Civil servant to see that the necessary knowledge and initiative are forthcoming, in order that such readaptation may be carried out as smoothly and efficiently as possible. One of the elements in this task has been touched upon in this paper, and it is hoped that by consideration of the matters raised, and by a comparison with the methods adopted by public authorities and commercial houses, valuable points of guidance will emerge which will help the Civil servant to perform his tasks to the satisfaction and well-being of the community he serves.

This matter was referred to by me at length in an address recently given before members of the Wellington Branch of the New Zealand Society of Accountants, and, as it is important that there should be a proper appreciation of the attitude of the Commissioner in regard to "business methods" in the Public Service, the address is reprinted herein :—

I have given as my subject "The Accountancy Profession in the Public Service." It would be possible in dealing with this subject to make one's range exceedingly wide. It could be divided into numerous important sections, each requiring a special occasion to be dealt with effectively. I propose confining my remarks to a general outline of the financial control exercised in the Public Service, with special reference to the improvements which have been effected during the period from 1912 to the present time.

At the outset, I assume it will, on reflection, be recognized by all present that the functions performed by the State in this Dominion are, in the words of our New Zealand poet, "not understood." Few people appreciate and understand the functions of the great Departments of State. The varied activities of the Post and Telegraph Department are no doubt known to a certain degree to all ; the activities of the Police Department are known, I hope, to a less degree ; while it is probable that the commonest view of a Customs officer is that he is an official whose principal duties are to detect opium-smuggling and to create as many difficulties as possible to visitors entering the Dominion or holiday-makers returning after a well-earned rest abroad. How many understand the functions of such important Departments as the Treasury, the Audit Office, External Affairs, and Industries and Commerce, or even Prisons ?