

only commands respect and appreciation, but is itself conducive to the best results. From a close observation of the staffs in either branches of the Service I am satisfied that they are equally efficient. There are two phases to every Public Service—the economic and the social. The economic side demands efficiency that may be checked up by means of cost accounts and commercial balance-sheets, while the social, though it may not follow a policy that conforms entirely to purely business ideas, also demands efficiency at reasonable cost, and at the same time calls for insight and organizing capacity often of a far higher quality than is required for purely commercial undertakings.

Dr. B. M. Laing, in a recent article on the functions of Government Departments, stated, *inter alia* :—

“It is widely admitted that the work undertaken by the State in recent years has enormously increased, and in consequence a heavy burden has been thrown upon Government Departments. Not merely the work of the latter has increased, but its kind has also altered. The tasks of administration are now such as to bring the administrator up against the varied relationships of the citizen and the complexities of social life.”

The features of an efficiently organized State Department have been aptly set out by another recent writer, as follows :—

“The well-run Department is careful and economical, even in small items of expenditure, and in selective economy between alternate courses of conduct, and especially with regard to guarding against the waste of Government property, stationery, light, heat, and transport. Wherever opportunities present themselves to rationalize or standardize official processes, and so get the best results at lowest cost, it is not found wanting. In spending the money which Parliament has voted, the well-run Department strictly follows the commands of Parliament, and furnishes accurate and intelligible accounts. It is also strict in recovery, and keeps control over departmental leave. A financially well-run Department is in all things, great or small, vigilant in the protection of the taxpayers' interests, and all for economy and efficiency, constantly testing the cost of working the administrative machine by a comparison of the costs of its various institutions.”

EXPANSION OF THE SERVICE.

Criticism is occasionally levelled at the Public Service that it is over-staffed. This criticism in most instances is based on a misplaced and generalized assumption, showing an ignorance of the exceedingly wide ramifications of State activity. An ever-persistent demand is made upon Government for the extension of social and other services, but not until the burden of the cost is reflected in taxation is it realized that added service involves increased salary bills. The financial burden of extended social services slowly and steadily grows, remaining more or less obscure and unfelt until, during a period of financial depression, the magnitude of the load fills the taxpayer with apprehension. “Over-staffing,” or “financial prodigality” are entirely unwarranted charges to level at the administration, for, as was stated in last year's report, there is a plain reason for the presence of every person employed, and any curtailment is not a matter of organization, but of Government policy.

It should be remembered that the unpleasant task of retrenching the non-essential and redundant members of the Service was undertaken during the period of economic depression in 1921. At that time the circumstances rendered necessary an almost ruthless curtailment of all but essential activities, and to accomplish this a comprehensive survey of all practicable avenues of retrenchment was made. Since then a rigid scrutiny of all requisitions for new appointments has been made, and consideration has been given to any possible reorganization of work or readjustment of staff to ascertain whether the filling of any vacancies could be avoided. There has been a definite curtailment of new appointments, except where expansion of business or newly assumed activities have made such unavoidable. The statistics show that the net increase in the number of appointments during the past year was 148, which was 81 less than for the previous year, while the total classified salaries show a decrease of £6,312 as compared with the previous year. In my report of last year detailed statistics were given to show that the increases