H.—14.

must be considered in preference to an outsider if his appointment thereto would involve his promotion. Again, opportunities comparable to those given in such branches of the English Public Service as the Foreign Office, the Colonial Service, and the India Service, do not exist in New Zealand.

The University of New Zealand cannot be expected to afford the same scope as the universities and colleges of the United Kingdom, where, particularly in London, Manchester, and Glasgow, special training is given in public administration and in

any of the social sciences.

It is difficult to determine what is the best practice to adopt or necessarily the best form of preparation for the holding of administrative positions. It may, however, be said that there are three principles to be observed: (1) A general high standard of education and training must be maintained; (2) the greatest opportunity for promotion from within the Service should be provided as is consistent with maximum efficiency; (3) new blood must be introduced from without the Service when this secures the supply of officers with training and experience of a kind which cannot

be obtained within the Service and which is necessary to ensure efficiency.

Another material factor which must be taken into consideration is that of remuneration. On graduating, the individual naturally offers his services where the financial reward, other things such as congenial work, &c., being equal, is highest. The standard of salaries in the New Zealand Public Service in comparison with that obtaining in commercial undertakings, the Teaching service, and in positions in other countries is very low not only in regard to what may be offered as a commencing salary, but also in regard to that paid in respect of the highest positions. is evidenced by the fact that not one New Zealand Rhodes Scholar has been attracted to the New Zealand Public Service, although inquiries have been made from several as to whether they would be prepared to accept appointment.

NATIONAL EXPENDITURE ADJUSTMENT ACT, 1932.

In accordance with the provisions of the National Expenditure Adjustment Act, 1932, a Committee was established to consider cases of hardship arising from the operation of that Act. Individual applications were received from 364 officers, and several Service organizations made representations on behalf of special groups of employees. No individual applications were granted, but a measure of relief was afforded to special classes of employees involving 389 officers.

Retrospect.

The Public Service Act has now been in operation for twenty years, and it may be of interest to compare the state of the Public Service as it is now with what it was in 1912 when the Royal Commission, which was set up in that year, reported on the working of the various unclassified State Departments. The members of the Commission were William Duffus Hunt, Esq. (now Sir William), James Macintosh, Esq., and Peter Barr, Esq.

Management.—The Commission advocated the setting-up of a Board of Management, stating that they considered this the most important matter of all, as if an efficient head with the necessary powers were obtained it would in time put the whole machine in perfect working-order. The system of Public Service Commissioner control was introduced to give effect to this proposal.

The Commission stated that amongst the first duties of the new form of

control should be the following—

(a) Block all "back doors" of entrance to the Public Service;

(b) Arrange that all promotions should be made from within the Service;

(c) Arrange for free transfer of officers between the Departments.

Appointments.—The Commission was of opinion that the matter of appointments wanted the very closest watching, for it was a very sore point right throughout the whole Service. They stated that from their business experience nothing would break up the spirit of a staff so soon as to bring in an outsider and put him over their heads. If a staff knows that all promotions are to be free from within it promotes a loyalty and enthusiasm for the Service and an esprit de corps, the value of which it is impossible to overestimate. They referred to the various means by which "back door" appointments were made.