

a complete investigation of the proposals contained in the Bill and to consider the many alternatives placed before it. It was recommended by the Committee that the Bill be not allowed to proceed that session, and the Bill has now automatically lapsed.

The objections raised to the Bill were mainly to the moral breach of faith or contract involved. Whether there is any such moral breach of faith or not (and the present instability of the funds cannot be laid at the door of the present or any other Government in particular) contributors and annuitants must face facts, however unpalatable they may be, and realize that financial considerations will not allow of the funds being stabilized on the basis of present benefits and privileges, particularly in regard to early retirements, and that if the funds are to be made solvent (and no one questions the necessity for this) sacrifices must be made by contributors and annuitants. The alternative proposals made to the Committee for stabilizing the funds without any diminution of benefits to contributors and annuitants involved the issue of Government stock to the amount of approximately £4,000,000 and were accordingly quite unacceptable.

Failure to place the funds on a sound financial basis is likely to have a serious effect on the morale of the Service.

General Matters.—The Commission referred to the absence of any regular system or uniformity in regard to travelling-allowances, overtime, attendance of officers, leave of absence, discipline, &c.

These matters have now all been placed on a uniform basis and regulations have been framed applying to all Departments.

Suggestions from Service.—The Commission thought it not out of place to refer to a scheme of obtaining suggestions from officers as to improving the working methods of the Service. They considered it would be a great advantage if there were a system for the interchange of ideas between officers in the Service.

As referred to elsewhere, this has been given effect to and officers are invited to make suggestions for improvements and any which possess any intrinsic merit are usually given a monetary reward.

Public Accounts.—In the opinion of the Commission, probably the most important and outstanding feature of the accounts was that, numerous as they were, they could be divided into two classes only—(1) the “balance-sheets” or summaries of transactions with subsidiary statements in detail of receipts and expenditure, and (2) the tables of balances at the close of the year dealing (a) with the public debt, and (b) with the cash and bank accounts. This meant that the whole of them might be described as simply cash accounts. The term “balance-sheet” as used throughout the accounts was entirely misleading, and at variance with the commonly accepted meaning of the words in business or by mercantile accountants.

Practically the whole of the matters referred to by the Commission were given effect to, and all Departments now furnish balance-sheets in a commercial form. This has resulted in increased efficiency and economy, particularly in those Departments where undertakings of a commercial or semi-commercial nature are carried out.

Since the year ended 31st March, 1930, what may be called a “General Balance-sheet for the Dominion” has been prepared and is published with the Annual Statement of Accounts under the heading “State Balance-sheet.”

STAFF STATISTICS.

As indicated in Table III, the number and the total annual salaries of the permanent staff showed decreases of 122 officers and £46,042 respectively between 1st April, 1932, and 31st March, 1933. During the year 371 officers left the Service for various reasons. It was necessary to appoint 256 persons from outside the Service. Of this number, 138 were appointed to the Mental Hospitals Department, 57 were cadets, and 23 were probationer dental nurses in the Health Department.

Departments showing a net decrease in staff are: Agriculture (11), Cook Islands (1), Customs (2), Education (11), Government Insurance (3), Health (7), Immigration (8), Industries and Commerce, Tourist, and Publicity (6), Internal