relied upon to give their best services on all occasions. Unfortunately, the service numbers amongst its officers a few who might be termed "disloyalists," and these few, with the ready assistance of persons outside the service, are only too eager to oppose—if they can do so without danger to their positions—the legitimate aim of the Department, which is to serve the public efficiently and economically. My observations and those of my advisers convince me that the officers generally do not approve of many of the actions taken by these malcontents, whose object apparently is to manage this great service for their own ends, forgetting that the service is the property of the public and that the public have elected the Government to control it. I feel that this claim of "control by the workers" is only a parrot-like repetition of that of the public servants of another country, who have indicated in one of their publications that "Workers' control in the Post Office" is their Mecca. No doubt all officers of the Department will sooner or later realize that their duty is to serve as well as they can, and that the better their service the more easily their efforts can be recompensed. Reluctant service brings reluctant recognition; and the dissemination of a spirit of disloyalty does not make for a happy and contented service, or for general public approval of the efforts of the Department.

PROMOTION BY MERIT.

An important factor in the efficiency of the Department is the scheme of promotion by merit, introduced in 1919. The effect of this change is steadily becoming evident, and no doubt it will become increasingly noticeable as the years go by. Prior to 1919 promotion was more often governed by seniority, and, as a consequence, officers were not spurred on to their best efforts, because they felt that effort brought no reward. One result of the old system was that some officers with a limited outlook, and some with no ambition to give good service, drifted into controlling positions for which they were not suited, and consequently the service rendered under their inefficient control was frequently costly and indifferent. "Efficiency" is now the watchword of the service, and every means is being pursued to avoid obsolete or slow methods, and to study economy of management combined with a satisfactory service.

In a Government service on which the public depends so much for the transaction of its business it necessarily follows that understudies have to be trained to take up without much notice duties usually performed by others. This aspect is so carefully watched in the Department that, although absences from duty through sickness or other cause are as frequent inside as outside the Department, the public are not aware of any diminution in the service given, nor is any delay in the dispatch of business noticeable.

RECLASSIFICATION: REVALUATION OF POSITIONS.

In accordance with regulations made under the Post and Telegraph Department Act, 1918, steps were taken during the year to revalue various positions held by officers, in order that the reclassification of the service due on the 1st April, 1924, might be carried to a successful conclusion. Such a revaluation is made at intervals of not more than five years, and is necessary on account of the steady development of the service.

WORK PERFORMED FOR OTHER DEPARTMENTS.

The Post and Telegraph Department is really a "service" rather than a "Department." By reason of its ramifications it has probably greater potentialities for usefulness to the public than any other organization, and in New Zealand very full use is made of it.

Around the money-order and savings-bank accounts as a nucleus there has been built up a system of accounting which receives from all the departments of the Post and Telegraph Service various revenues which are due to the Treasury, and, in addition to this, the system includes a vast amount of work for other Departments of the State.

The Post Office receives amounts for credit of almost every Government Department and clears them from its central office in Wellington. In fact, it performs for the general public and the State various duties which, in quite another sphere of activity, are usually performed by a commercial bank. On account of the smallness of the majority of the individual transactions, the business, which bulks very large even from the point of view of pounds shillings and pence, is very much larger from the standpoint of the number of transactions involved, which run into millions in each of the main divisions of the business.