CHAPTER V

POST OFFICE REFORM

CRITICISMS OF THE POST OFFICE

"It is doubtful whether there is ever any advantage in conducting an industry or a commercial service by the method of direct State control, i.e. by a government department." This was not a Chamber of Commerce resolution, but a significant conclusion expressed by a committee of the Trades Union Congress in 1932. It is indicative of the widespread view that public service undertakings are not best administered as integral parts of the central government, and that the Post Office should not be taken as an example for solving future problems of public control. This assumption which has grown up regarding the type of organization and control which it represents, has usually not been carefully examined. Prejudice, lack of definite knowledge, or the attractiveness of new forms of control seem to have influenced the minds of many who have condemned the Post Office. Our purpose is to analyze the constitutional and administrative problems of the Post Office, as a means of determining the merits and demerits of this form of control, and to ascertain if reforms are possible which might rectify some of the faults attributed to the organization.

There are several aspects of Post Office administration which deserve constructive criticism. Many thoughtful people believe that the interference of the House of Commons in the routine affairs of the Post Office results in an unprogressive, timid policy at St. Martin's-le-Grand. The business community constantly points out that a great commercial service such as the Post Office should keep its own surpluses, determine its own capital outlay, in other words, be free from Treasury control. It has been said that the Post Office would probably improve the quality of its services if it were

not required to perform so many dissimilar functions. Since the publication of the Bridgeman Report, a great deal has been said about over-centralization of management, and the red-tape and lack of initiative which are said to result therefrom. Arising out of the same circumstance, it is contended that too much power is vested in London, and that a decentralized system in which regional directors would possess more authority would produce a more satisfactory service. Finally, personnel problems await solution. Are Civil Service conditions detrimental to Post Office development? Should workers be given more voice in management, or is it desirable that Whitleyism should be curtailed? It is suggested that these basic issues, plus the ancillary questions which emerge, deserve complete and candid consideration.

A few Conservative critics favor a radical reform of the Post Office, namely its conversion into a public utility trust. Lord Wolmer's *Post Office Reform* was written to support this thesis. However, the Bridgeman Committee, which was instituted in consequence of Lord Wolmer's persistent criticism in the House of Commons and in the press, concluded that it is not desirable to change "the status of the Post Office to that of a Public Utility Company or Statutory Authority, either wholly or in part." Without wishing to anticipate too much, it may be suggested that the existing form of organization possesses several important advantages over other types of public utility enterprise, but that important reforms in the present system need to be made if these salutary factors are to operate to the greatest advantage.

HOUSE OF COMMONS INTERFERENCE

In summarizing his criticisms of the Post Office Lord Wolmer has stated, "Parliamentary control must be held to be the root of all inefficiency in the Post Office. It involves the changing Postmaster-General, Treasury control, over-centralization, Civil Service conditions, and the conversion of a

communications service into a tax-collecting machine." Not many people support the extreme proposal of Lord Wolmer, but there is rather general agreement that some modification of Parliamentary control is desirable.

Parliamentary control, writes a former Postmaster-General,[1] is responsible for timidity and centralization, thus militating against the adoption of a public relations technique. The same writer has suggested other serious defects of House of Commons supervision. The Minister and his principal officials, who ought to be concerned with major policies, are often diverted to deal with matters which owe their importance to the status of those who bring them forward, i.e. Members of Parliament. Major Attlee believes that Parliamentary questions directed to the Postmaster-General are usually superficial. Frequent changes of Postmaster-General result in discontinuity of policy and unfitness to guide such a ramified and complicated undertaking as the Post Office.

There has been a great deal of uninformed speculation and loose thinking concerning the effect of House of Commons control on Post Office efficiency. As a rule, the thinking of those who would remove the Post Office from House of Commons criticism follows along the line of the following syllogism, viz. most business undertakings are not subject to constant criticism; the policies and actions of the Post Office—a commercial service—are exposed to such criticism; therefore the House of Commons should release the Post Office from continuous interrogation. The writer began with that idea. Is it desirable that the Post Office should have to explain why two employees were discharged from a Post Office factory? Should an artist be permitted to object to the placing of a red telephone kiosk on the bank of the Thames, where it was said to detract from the landscape?

[1] Major C. R. Attlee, "Post Office Reform," (1931) 2 *New Statesman and Nation*, 565; and "The Bridgeman Committee Report," (1932) 10 *Pub. Admin.*, 352.

These are actual instances of so-called superficial questions which were recently addressed to the Postmaster-General in the House of Commons. It may appear on first thought that such questions are merely a nuisance, and that small matters are none of the public's business. However, reflection usually reveals that there is a larger issue involved: in the above questions one aspect of the merit system and aesthetic values were affected. Democratic control of public services is desirable if it does not involve losses which clearly outweigh the benefits.

Parliamentary questioning is said to be a waste of time and a burden on administrative officials. This charge appears to be largely unfounded. For example, a former Postmaster-General, Mr. H. B. Lees-Smith, has stated that the time required to prepare questions constitutes a very small item in the time budget of the Minister and of the administrative officials. Civil Service employees usually express the same view.

The House of Commons is said to bother the Post Office by frequent questions addressed to the Postmaster-General, but that it does not really devote sufficient attention to the major policies of the department. In the debate on the Annual Estimates very little helpful criticism is addressed to Post Office problems. In the writer's view, it is desirable that the Postmaster-General should resume the practice of presenting an annual report on the Post Office to both Houses of Parliament. The last report of this nature was presented for the year 1915-16. The Members of Parliament would by this means have better information with which to debate Post Office questions, and they and the public would be better informed on the financial position and the achievements of the Post Office services. Moreover, a special House of Commons committee, composed of members of all political parties, might act as a nucleus of informed opinion when Post Office policy is periodically considered. This committee should not be given authority over financial questions, nor

should it be permitted to detract from the responsibility of the Postmaster-General.

Centralized administration is said to be the most objectionable result of House of Commons control. But centralization as such is no fault unless it can be shown that the results produced are unsatisfactory. Large-scale undertakings everywhere have found it necessary to centralize the administration. However, as we shall point out, the Post Office has been able to decentralize to a greater extent than many people seem to think.

There are benefits of legislative control which are usually overlooked. Parliamentary questioning helps to prevent "grooving" in the Civil Service, by raising questions and points of view which might not occur to employees in the ordinary course of their duty. As a writer in a Post Office journal has said, "the knowledge that Parliament lies behind the administration ready to visit the sins of every minor official upon the Postmaster-General, with the usual consequence for the delinquent, is a stimulus to efficiency."

Certain reformers have suggested that the Postmaster-General should be given a fixed term of office or that a non-political appointee should be chosen for the position. This would mean a complete severance of ministerial responsibility. Unless the party in power supported him, the Post Office would suffer as a result of friction. Furthermore, the Postmaster-General might be tempted to infringe upon the Secretary's responsibility for the detailed administration of the Post Office.

The present constitutional relation appears to be satisfactory, but at times greater attention should be given to the selection of the Postmaster-General. Recent governments have done this. The practice of making the Postmaster-General a member of the Cabinet seems to be desirable. The Postmaster-General has an important duty to perform. Since civil servants are not expected to influence public

opinion or allowed to defend their actions in public, it is indispensable that the work of the department should be explained by the Parliamentary Ministers. The present Postmaster-General, Sir Kingsley Wood, is said to have achieved more success in this respect than any of his predecessors. He has explained problems, pointed out achievements, and advertised the services of the department. The relation between the Postmaster-General and the permanent head of the department should be analogous to the collaboration which exists between the mayor and the city manager in American cities: public relations is the responsibility of the one; skilled management is the duty of the other.

TREASURY CONTROL

The greatest need of the Post Office is self-contained finance. This reform was advocated by the Bridgeman Committee, and it has also been supported by writers of all shades of political opinion. Under the present system the Post Office profits are turned over to the Treasury and are therewith absorbed in the general revenue of the Government. Some one has said that "the efficiency of the Post Office is really determined by the ease or difficulty with which the Chancellor can balance his budget." The expenditure of the Post Office is also subject to Treasury control.

The existing relationship between the Post Office and the Treasury must be understood before constructive reform can take place. The Treasury determines the form and method of Post Office financial procedure, the regularity of its transactions, the rates of charge, and the amount, terms, and period of Post Office loans. Despite opinions to the contrary, it would appear that, as a rule, the Post Office has been treated generously where matters of major policy were involved. The chief exception consists of restrictions which have been placed upon Post Office building construction. So far as the telephone service is concerned, the department

has probably received as much financial support as the consumer's demand justified.

The Treasury regulates Post Office charges. All important rates must be approved by the Treasury, and in some cases an Act of Parliament is required to sanction new charges. In practice, the wishes of the Post Office with reference to rates and charges have been respected. Treasury approval must also be obtained before the Post Office may engage in "new" services.

The number of employees and their remuneration and conditions of service are subject, in general respects rather than in detail, to Treasury approval. This limiting factor has an extremely important bearing upon Post Office personnel problems, as we shall see later. Although in practice the Post Office enjoys a certain degree of independence regarding staff questions, all regulations must be in conformity with the general policies of the Civil Service, which are determined by the Treasury. In certain cases organizations of Post Office employees may appeal to the Industrial Court. These are the principal respects in which the Treasury exercises control over the Post Office.

The kind of control applicable to an ordinary government department is clearly not suitable to a public commercial enterprise. The Post Office can be judged by results, i.e. by profit and loss accounts, and therefore deserves more freedom. Internal financial control is more effective than external supervision by the Treasury, because the pressure is continuous and is applied all around instead of at just a few points.[1] However, there is room for a great deal of disagreement regarding the particulars in which the Post Office should be granted more financial freedom.

The Bridgeman Committee recommended that the Post Office should contribute a fixed sum to the Treasury and that the department should be granted "some relaxation

[1] Sir Henry Bunbury, "Financial control within government departments," (1924) 2 *Pub. Admin.*, 131.

of the Treasury control over matters of necessary administrative expenditure." In such cases, states the Report, the obtaining of Treasury approval is very largely formal and relates to matters over which the Treasury cannot expect to exercise informed criticism. However, the committee concluded that what may be termed the "ordinary departmental Treasury control" is not "unduly vexatious." The inescapable inference from the Report seems to be that a considerable degree of Treasury control should be perpetuated, but the distinction is vague and the reasoning is undisclosed.

As a general proposition, the writer agrees with those who hold that a satisfactory solution of Treasury-Post Office relations will not be reached until the influence of the Treasury is limited to that of a "trustee for debenture holders." There is general agreement by writers on the subject that the Post Office should be permitted to carry over its own surplus from one year to another. The accomplishment of such reforms must not be thought easy. Parliament is a jealous mistress. Treasury control entails more than it does in other countries. Although the Cabinet as a whole decides a question, the authority and prestige of the Chancellor of the Exchequer is so great that his view is usually adopted. It is difficult for the Postmaster-General to carry his view with the Cabinet against the opposition of the Chancellor of the Exchequer. The accomplishment of self-contained finance will probably occur by degrees and by means of an understanding between the Chancellor of the Exchequer and the Postmaster-General to the effect that the Post Office will be given greater freedom, rather than by an abrupt change.

If then it is agreed that Post Office finance should be made as self-contained as possible, the remaining problem is the amount which the department should turn over annually to the Treasury. The Bridgeman Committee recommended that "a fixed sum of £11,500,000 plus 50 per cent of any

excess over that figure" would be an appropriate sum, but that the amount of the contribution should be reviewed after three years. The profits of the Post Office during the past ten operating years have been as follows:

	£		£
1922–23 ..	4,450,245	1927–28 ..	7,570,348
1923–24 ..	5,291,022	1928–29 ..	9,012,764
1924–25 ..	5,429,594	1929–30 ..	9,371,672
1925–26 ..	6,667,882	1930–31 ..	9,187,454
1926–27 ..	5,787,598	1931–32 ..	10,631,794

The Bridgeman Committee, after making provision for financial alterations which they advocated, concluded that the net surplus for 1931-32 would have been £12,303,000, while their estimate for 1932-33 was £12,296,000.

The sum of £11,500,000 fixed by the Bridgeman Committee appears to be considerably too large if the existing services are to be properly financed, and if a fair portion of the surplus is to be passed on to the users in the form of reduced charges. "If the Report had been written five or six years ago," Major Attlee has stated, "the amount recommended would no doubt have been about half this sum." The Post Office should be regarded as a business concern serving a public need and should at least have an opportunity of putting back as reserve a due proportion of the profits into the business. Moreover, if more than a fair amount is taken by the Treasury the shrinkage of the Post Office surplus will have a depressing effect upon the Post Office staff, because it deprives them of the hope of increased remuneration. It is not too optimistic to believe that once the larger question of Treasury control has been settled by permitting the Post Office to keep its own financial house in order, minor questions will be solved without much difficulty.

THE PROPOSED FUNCTIONAL BOARD

We have now dealt with the control of the House of Commons and the supervision of the Treasury—the two principal

respects in which it is alleged that the Post Office's efficiency is impaired by lack of freedom. In the balance of the chapter our attention will be focussed upon the chief criticisms of the Post Office's internal administration. This will involve consideration of major problems relating to organization, management, and personnel.

At the present time, the administrative hierarchy of the General Post Office is a composite of two conflicting theories of administrative organization, namely the functional and the "departmental" The latter has been accorded the greater weight. Next to the Secretary and the Second Secretary, the most important officials are those who deal with commodities, namely the posts and the electrical communications. In the Secretariat branches, only the Second Secretary and the Assistant Secretaries who are under his immediate supervision, i.e. Establishment, Staff, Stores, and Chief Clerk's divisions, deal with functional problems.

It is somewhat surprising that such a bifurcated system succeeds as well as it does. The Bridgeman Committee began its summary of the defects of the existing organization by enunciating a principle which has been almost uniformly approved by both Business Administration and Public Administration:

> "The present position of the Secretariat contravenes what has come to be recognized as one of the fundamental principles of organization, viz. the distinction between policy and practice, between the administrative and the executive functions. The neglect of this important distinction we regard as one of the main weaknesses of the existing Post Office organization. . . . The Secretariat of the Post Office, as at present constituted, is concerned not only with the framing and the formulation of policy and with the supervision of its execution, but also with the conduct of the daily business of the Post Office services, for which it is unsuited, both by training and experience."

Most of the minor defects of the existing organization could be ignored if a policy-formulating board, chosen along functional rather than operating lines, were established.

The Bridgeman Committee recommended such a board, and the present Postmaster-General has indicated that the plan will be put into effect. A few years ago a board did operate for a short while, but membership was determined by giving representation to the several departments within the General Post Office. This scheme did not succeed because a member rarely felt called upon to participate in the deliberations unless the matter affected his own branch. No one would care to repeat that experiment.

The Bridgeman Committee suggested that the functional board should consist of the Postmaster-General, the Assistant Postmaster-General, the Secretary (to be called Director-General), and representatives of the following functional units, General Operating and Supply, Engineering and Research, Finance, and Personnel. Although a small board is desirable, the inclusion of a member to take care of public relations would appear commendable. As a former Postmaster-General has said, "A competitive business needs a well-thought out and vigorously directed public relations policy." Employees' organizations have contended that they too should be represented on the functional board. The staff point of view might then be presented during the initial stages of consideration of policy rather than when that policy has been determined. This proposal seems to be consistent with the purpose of the Whitley Councils, which attempt to bring into Post Office administration "the utilization of the experiences of the staff."

This group of principal officials would be a tactical unifying agency; it would not be expected to interfere with the operating detail or attempt to share the power to issue orders, which would remain in the Secretariat. "The Postmaster-General," stated the Bridgeman Committee, "must have the power of over-ruling the Board in any matter of policy as Minister responsible to Parliament." This is a constitutional necessity, but it is doubtful if the Postmaster-General would ever find it necessary or justi-

fiable to reject the will of the board when there had been fairly general agreement among the members.

The greatest effect of the functional board is likely to be felt in the Secretariat. Joint policy formulation will broaden the confines within which important decisions relative to administrative policy are reached.

SECRETARIAT CENTRALIZATION

The Secretariat is "the sole source of authority under the Postmaster-General—no executive department of the Post Office can give an instruction to another department, nor can it through its own officers do anything for which it has not Secretariat authority, either general or specific. By virtue of its autocratic position the Secretariat has come to acquire a status out of proportion to that of other Post Office departments." Thus runs the Bridgeman Committee's indictment of Headquarters centralization. There is another side of the question of alleged centralization, namely the geographical concentration of authority which results from the relationship between the provincial units and the Headquarters Staff at St. Martin's-le-Grand. That aspect of the problem will be considered in the next section.

There has been a great deal of talk about the "autocratic" power of the Secretariat, but part of the argument appears to be based upon comparison which is not apposite. "The Post Office Secretariat has come to assume a position which has no parallel in the Secretariat of any other Government Department," reads the introductory statement of the Bridgeman Committee's consideration of Post Office organization. To which it may properly be replied that it is quite natural and desirable that the management of a great commercial organization, with its multiplicity of divisions, should differ from the ordinary political departments.

Recently a former Post Office official has written, "We

entirely agree with the idea of a functional Board, but we entirely disagree with the suggested degradation of the Secretary, for that is what it amounts to."[1] This construction is based upon the Bridgeman Committee's reference to the Secretary as *primus inter pares*, which phrase was undoubtedly not meant to imply absolute equality, much less degradation. But the suggestion that the Secretary's authority must not be impaired is based upon sound reasoning: definitive authority must exist. Operating efficiency requires that the permanent head of the Post Office should have the necessary authority to direct and coordinate the several branches of the business. In a realistic sense the Secretary, the efficient head, is far more responsible for safeguarding the public interest than the Postmaster-General, the temporary chief. For example, a former Postmaster-General stated to the writer that every year the permanent head of the Post Office saves the tax-payers thousands of pounds because of his ability to deal with the myriad private interests which are constantly attempting to foist their wares upon the Post Office. The Secretary is the permanent watch-dog of the public!

The Bridgeman Committee's reference to the Secretary's "autocratic" powers appears rather misleading. Power has not been sought; it has merely been difficult to delegate. Centralization is inevitable and, within limits, is desirable. But along with unified direction and responsibility there should be a broadening of the sources from which major policies will be jointly formulated. Furthermore, the operating services should be given greater independence in matters which relate to their internal administration. Finally, a more effective juxtaposition of the qualities demanded of the coordinating theorist and of the practical administrator should be devised.

The establishment of a functional board should prove to be the most important corrective of policy formulation

[1] G. H. Stuart Bunning, op. cit., 10 *Pub. Admin.*, 369.

within narrow confines. The board idea might also be adopted with profit in the case of the operating services. For example, a joint operating board for telegraphs and telephones would possess many merits. It would force the Secretariat officials and the operating staff to rub elbows, appreciate each other's problems to a greater extent, and tend to make the services more autonomous. If more joint planning took place, a greater degree of independence would be possible in the routine conduct of each service. Moreover, a joint board would provide for greater cooperation between the operating and the engineering sides of the service.

Failure to coordinate the commercial management and the engineering technicians more effectively is one of the greatest organizational defects of the existing arrangement. "The autocratic isolation of the Secretariat in relation to the Engineering Department and the narrow and specialized meaning attached to the word 'Administrative' in respect to staff generally," stated the Bridgeman Committee, "prevent these two departments from taking an adequate part in the general scheme of control." Engineering experience is insufficiently brought into the consideration and formulation of general policy, and moreover the technical side has not been properly coordinated with the commercial management in actual operation.

It is obvious that great weight should be accorded engineering opinion in the formulation of policies relating to the electrical communication services. The need of collaboration is greater now than ever before. After a commercial enterprise has been securely established on a financial basis the engineer should be relied upon to improve the service and to keep it abreast of new developments. This observation is particularly applicable to the field of electricity, where developments take place so rapidly. For example, the Postmaster-General announced on October 21, 1932, that Post Office engineers had made remarkable progress

in connection with the utilization of very short radio waves to ascertain whether they could be fitted into the telephone network and give a more direct and economic connection between such places as can at present, because of natural difficulties, only be connected by a circuitous route. The inclusion of the Engineer-in-Chief on the functional board should tend to make the Post Office management more progressive, and the establishment of a joint telegraph-telephone board should also produce salutary results.

The telegraph and telephone administrations would obtain considerably more autonomy and efficiency, concluded the Bridgeman Committee, if the executive officials were given authority to issue orders directly to the field representatives of the Engineering Department instead of acting through the higher engineering officials. This proposal raises a vexed question. Would not the logical application of the recommendation divide and subordinate the Engineering Department? It is argued that the engineering division should continue to be equal and parallel to the commercial branch, and that greater coordination of the two units has been and will be obtained. In April 1931 for example, only 45 per cent of the new telephone installation orders were completed by the London Engineering Department in less than a week; at the present time 90 per cent of the completions occur in less than a week. In the provinces the percentage is 10 to 20 per cent less, but rapid progress is being made. Greater coordination between the commercial and the engineering divisions appears essential, but it would seem possible to accomplish this without lessening the autonomy of the Engineering Department.

In recent years a considerable amount of devolution has been deliberately brought about by the Secretariat. Officials and staff are agreed on this point. In 1932 a deputation representing Post Office staff associations stated to the Postmaster-General that "the policy of decentralization has been considerably extended." In most cases the officials

of the Secretariat desire to dispose of as much detail as possible. The general situation may be described by giving a typical instance from the experience of the telephone administration. Let us assume that a District Supervisor is presented with a new question on which no policy has ever been established. His problem is referred to the Secretariat for a decision. Then let us say that somewhat later a slightly different question is raised by another District Supervisor. If it appears that the problem will recur, the Secretariat then sends out an advice to all officials who might be confronted by the problem at some future time. Ordinarily this action completely ends the Secretariat's concern over the matter. This procedure is applied as widely and as frequently as possible. The charge that the Secretariat "usurps" powers is largely groundless.

One of the grounds of criticism of Secretariat centralization is to be found in the delegation of a great deal of authority to clerks and to minor officials of the Secretariat, with the result that important proposals of the chief operating officials are sometimes pigeon-holed when otherwise favorable action might have been expected. Of course it must be recognized that the delegation of responsibility is necessary in every large-scale enterprise. This might not be a serious matter if questions were settled more frequently by direct contacts between higher Post Office officials. In their official relations the British, like the Germans, seem to rely very largely upon the formality of written reports and memoranda, with the result that the meeting of minds in direct conference is not a frequent occurrence. Constant consultation is one of the chief desiderata of successful management. For example, in the offices of the American Bell companies the rooms of the principal functional officials are closely connected. Delay, jealousy, and red-tape are the inevitable results of reliance upon written communications. Centralization of office accommodation and frequency of personal conference would, it is believed, prove of inestimable

benefit to the administration of the British Post Office. Furthermore, the establishment of deliberative boards would probably speed up the acceptance of practical proposals which originate in the manipulative services.

The question of organization is only one element of the problem of centralization, and not necessarily the most important The success of a centralized administration depends to a large extent upon the training, qualifications, and experience of the Headquarters Staff. "We have formed the impression," stated the Bridgeman Committee, "that individual members of the Secretariat possess considerable administrative ability but that the usurpation of executive functions by the Secretariat, as a body, has in some cases deflected this ability into channels for which it is less well suited." There then follows this extremely significant observation,

> "The administrative staff of the Secretariat are recruited through the ordinary Civil Service Administrative Class Examination: on joining they are appointed to the Secretariat and although in the first years of their service they may be detached for a few months to the provinces for service under a Surveyor, they have had quite inadequate opportunity to acquire any thorough training in or experience of the actual work of the Post Office. Handicapped as they are by this absence of experience, they spend the remainder of their official career, not merely in administering, but to a considerable extent in controlling, the execution of services of which they may have considerable theoretical, but little practical knowledge."

The higher officials in the Secretariat are, with two or three exceptions, men who have gone into the Headquarters establishment almost directly after university graduation. With few exceptions they are Oxford or Cambridge products. University men have had an opportunity to acquire assets which "rankers" rarely attain, namely the ability to learn the "why" as well as the "how" which is the distinguishing mark of the coordinator. It may be said in passing that the same considerations account for the superiority of the Administrative Class of the Civil Service over British business

leaders, who as a group discount theoretical knowledge and pin their faith on what they call "acumen."

At the present time only two or three out of twenty or more of the highest officials in the Secretariat came up from the ranks. The percentage of "rankers" has tended to diminish. On the other hand, the heads of the operating services are, almost without exception, men who have come up from the bottom. Some of the most successful higher officials in the operating services have spent a short period in the Secretariat and have then been transferred to an executive service. Too few have returned, after learning the problems of actual administration, to the Secretary's Office. This policy compares unfavorably with the sound Army rule, that a staff officer must first have proved himself a good regimental officer, and that service on the staff must be varied with tours of duty in the commands. Failure to observe this principle has led to a certain feeling of exclusiveness and distrust in the relations between the practical heads of services and the theoretical coordinators at Headquarters. This is the crux of so-called over-centralization.

It is a well-established principle of the British Civil Service that, having the necessary education, one learns to administer by administering. The Bridgeman Committee has recommended that the initial stage of the university-trained man's career should be spent in the provinces, where he will obtain practical knowledge and experience. The competition for Secretariat positions should be opened to technical and engineering candidates "while they are in their prime," and the more promising of these should receive especial encouragement. Secretariat officials have sometimes been too far removed from "flesh and blood" problems to learn the necessary practical details and points of view which would make them better administrators, and would result in more harmonious relations with those who are responsible for routine administration. Many of the above considerations, it will be observed, apply with

equal force to the relations between the Secretariat and the provincial Post Office administrations.

CENTRALIZATION AND REGIONAL INDEPENDENCE

Critics of Post Office administration contend that provincial areas are not given enough independence, particularly in matters relating to the staff. Suggested reforms range from a suggestion that local officials should be given more freedom over details to a proposal that each area should be controlled by a director who would be given a large degree of finality. Such proposals are usually found to be greatly influenced by the decentralized system of the American Bell companies. The analogy is not a fortunate one because the American practice is explained by the existence of State boundaries, whereas in Great Britain there is no equivalent consideration. The intrinsic merits of the case for decentralization may best be judged after the existing system has been explained.

The country outside of London and Scotland is divided for Post Office purposes into twenty-two Districts. The administration of each area is entrusted to either a Surveyor or a Postmaster-Surveyor, the latter being in charge of large towns and their immediately surrounding areas. The engineering organization is parallel to the commercial administration, but the Superintending Engineer in each district is responsible directly to the Engineer-in-Chief, with the result that there is no direct connection between the engineering and the commercial branches of the service. In actual practice the Surveyors and Postmaster-Surveyors confine their attention to the postal and the telegraph services, which have been securely coordinated as a result of long association, and because the same staff usually handles both classes of business. The telephone work of the district is managed by the Surveyor's chief assistant, the District Manager. The Secretary's Office communicates directly with the

District Manager so that increasingly the tendency has been to make the telephone administration independent of the older services. This division of responsibility, the general results of which are beneficial, has created a difficulty as the telegraph and telephone services have become more closely connected. Unlike the American Post Office, fortunately, none of the local Postmasters is a political appointee, but all are permanent officials subject to the authority of the Secretariat.

The powers of the Surveyor and of the Postmaster-Surveyor are, except in minor respects, the same. Within certain limits the provincial directors may exercise their own discretion and authority. For example, the number of letter deliveries and collections are prescribed by Headquarters, but the times and supplementary arrangements are determined by the regional officials according to local requirements. Any matter which requires authority beyond the powers delegated is referred to the proper division of the Secretariat.

Most proponents of devolution confine their suggestions to staff organization and personnel problems. The Royal Commission on the Civil Service, 1929-31, concluded with reference to Post Office centralization that "having regard to the extent of the undertaking, we should expect to find a greater degree of decentralization than appears to exist at present in matters of staff control and organization. Many minor points appear to us to be suitable for local settlement, despite the risk of some minor differences in practice between one part of the country and another." At present the Surveyor has a certain measure of disciplinary control but cannot dismiss or degrade established staff who have passed their probation. He has power to make promotions from the manipulative to the first supervisory grade. The regional officials can engage temporary staff for periods of pressure, and add to the permanent staff, subject in the latter case to subsequent statistical justi-

fication to the Accountant-General. Several years ago recognized associations of Post Office workers were given the right of appeal to Headquarters in case of dispute arising with provincial officials. As this right has been used, another important centralizing factor has appeared.

As a means of bringing about greater provincial autonomy, the Bridgeman Committee concluded that

> "We regard it as of vital importance that the regional director should exercise jurisdiction over all the functions appertaining to the post, telegraph, and telephone services. He should be the coordinating authority for his region, and his organization would, in effect, be a reproduction in miniature of the Headquarters board. The regional director would be the chief executive of his region and would be assisted by a staff representing engineering, financial, and personnel functions, and within his region engineering, finance, and personnel would be under his jurisdiction. He would receive, direct, and execute all orders from Headquarters in consultation with his technical, financial, and personnel staff and would ensure that all interests involved were coordinated and brought into focus."

The Committee further suggested that constant contact should be maintained between the various regional directors, who should be encouraged to visit one another's regions and to exchange views and information. Similarly, close contact should exist between the regions and Headquarters, and members of the functional board should pay regular visits to regions and discuss matters of interest with regional directors.

In recent years the sum total of provincial autonomy has gradually increased. At the present time the reforms which are most needed consist of greater coordination between the commercial and the engineering divisions, a closer association between the telegraph and telephone services, and a constant interchange of higher directing officials between provincial centres and Post Office Headquarters. No alteration would be justifiable which involved the sacrifice of uniform standards of service throughout the country. The solution of controversies between workers and officials raises problems which can hardly be definitively

settled by provincial directors. A sense of grievance among the staff due to arbitrary local differences in treatment would be a source of discontent harmful to the service.

PERSONNEL PROBLEMS

"Staff cooperation can never be fully realized until the Staff is no longer governed by Civil Service regulations. Civil Service regulations were not framed with the object of industrial co-partnership," continued Lord Wolmer, "and cannot be effectively twisted in that direction." The Union of Post Office Workers, with a membership of 98,000 employees, replied to Lord Wolmer's assertions by admitting that "there should be greater facilities for staff cooperation," but that nevertheless the position of the postal worker is superior to the condition of labor under private management or under "the so-called public utility form of control." Which of these views should be accepted? The issue is an extremely vital one.

In order to understand the setting of Post Office personnel problems, it should be reemphasized that the Treasury controls the major conditions of employment in the Post Office as part of its responsibility over the entire Civil Service. Hence, although roughly two-thirds of the British Civil Service are found in the Post Office, only 14,000 Post Office employees out of a total staff of 230,000 are engaged in classes common to the Civil Service as a whole. The majority of the Post Office staff belong to manipulative classes, such as postman, sorter, telegraphist, telephonist, and the like, which have no close counterparts in other branches of the Civil Service.

A complete analysis of Post Office personnel matters would entail a thorough study of the British Civil Service. Fortunately, such materials are already available,[1] and hence

[1] Herman Finer, *The British Civil Service*, London, 1927; N. E. Mustoe, *The Law and Organization of the British Civil Service*, London, 1932.

we may be content with reference to the distinctive problems which have an especial bearing upon the objects of the present investigation. Questions of remuneration, promotion, morale, and employees' organizations and programs will most likely contribute to an understanding of the relative merits of employment in a Department of State.

POST OFFICE REMUNERATION

In the British Civil Service the lower paid staff are—or at least have been until recent years—slightly better paid than in industry, but in the higher branches the remuneration of business and public utility executives is strikingly greater than in Civil Service positions of comparable responsibility. The same situation obtains in the American Civil Service. The Post Office is the second largest undertaking in the country; the L.M.S. railway alone employs a larger staff. Still, there are easily a score of corporations which pay their chief executives from three to ten times as much as the salary of the head of the Post Office. The Secretary to the Post Office receives £3,000 a year. The Engineer-in-Chief, who heads the largest engineering enterprise in the country, is paid less than £2,000 a year. Several engineers engaged in public utility undertakings receive two or three times as much. The Controller of the Post Office Savings Bank, which is one of the largest and admittedly the most efficient and progressive financial enterprise in the country, receives less than £1,200 a year, whereas some bankers with no greater responsibilities are given many times more. Judging solely on the basis of this evidence, one would almost certainly conclude that the Post Office could not hold its own in comparison with large-scale competitive enterprises.

Post Office salaries are merely the general level of salaries in the Civil Service as a whole. During the past ten years or more the general aim of the Government has been to keep

the lower levels of Civil Service salaries as closely as possible in line with comparable wages in industry. The model employer theory has been cast aside. Recent economy committees have said that civil servants should not be regarded as a "privileged" class, and that they should not receive more than those from whose efforts they are sustained. The assumption underlying these statements is so old that it is familiar, but so false that it is vicious. Government work is usually presumed to be uneconomic. Those who work for the Government are presumed to be wards of the State or in a position analogous to the fighting forces. In point of fact, all activities which add to the social well-being are economic. Although it is frequently not realized, State services add to the wealth of the individual and frequently increase the permanent wealth of the community. The tax-payer has two pockets: in one he keeps the funds with which he purchases commodities from the tradesman; from the other pocket he buys the services which are provided by the State. This is true of all government activity, but nowhere is it so evident as in the facilities provided by the Post Office.

Civil Service emoluments cannot fairly be compared with average industrial employment because of the following considerations which attach to the merit system; the standard of recruitment is highly selective; the rate of successful to unsuccessful candidates is low; the average educational requirement is considerably higher; strict medical tests are imposed; age limits, often narrowly restricted, are prescribed for the various appointments; higher social and moral standards are demanded (for the higher grades); and it is often virtually impossible for the civil servant to transfer to some other employment, a possibility which may account for rapid promotion in the commercial field.

The assumptions relative to the principles of Civil Service remuneration which appear to operate today were set forth by the Anderson Committee in 1923. They were incorporated into two principles:

"On the one hand, the State should hold the scales even between its own servants and those through whose enterprise its servants are paid. On the other hand, employees of the Crown would have a real ground for complaint if their pay were related to wages in industry only in the time of low wages. If they do not get pay relative to the boom, they must be spared the full severity of the slump. The State as a model employer offers security, a pension, a dignified service, and a moderate wage in exchange for the excitement and possibilities of private employment."

Similar ideas have been incorporated into the cost-of-living index system of compensation which was put into operation in 1920. The wages of postal employees are subject to fluctuations in accordance with the movements of the Civil Service Cost-of-Living Sliding Scale. Under that scale the amount of bonus varies, the full percentage bonus being payable on "basic," i.e. 1914, wages of 35s. per week and under. On wages above that amount the percentage addition to wages diminishes as the wages increase. In December 1920 the bonus was calculated on the basis of a cost-of-living figure of 155. In December 1931 the corresponding figure was 50. The effect of this reduction in the wages of postal workers whose basic rates of pay were 25s., 35s., 45s., 55s., and 65s., per week, is as follows:[1]

Basic Wages s.	Wages including Bonus at 155 s. d.	Wages including Bonus at 50 s. d.	Percentage Reduction
25	63 9	37 6	41
35	89 3	52 6	41
45	106 5	64 10	39
55	123 7	77 2	38
65	140 9	89 6	36

These figures are indicative of the reductions which have taken place in the wages (including cost-of-living bonus) of postal employees since the end of 1920.

According to a statement made by the Postmaster-General in 1929, when the cost-of-living index number stood at 67, only 84,000 out of 180,000 full-time employees received the Rowntree Minimum Wage.

Post Office employees' organizations have striven to dis-

[1] (1932–33) *The Post Year Book*, 405.

pense with the sliding scale system, but the Treasury adamantly points to the fact that the employees gave their approval of the arrangement in 1920 and insists that the agreement must stand. The employees have replied that the 1920 agreement was a provisional and compromise agreement which has resulted in civil servants being unfairly treated as compared with wage tendencies in industry. Their argument is supported on several grounds. In the first place, the cost of living figure is based on a working-class budget, and is hence inapplicable to Civil Service employment. The pre-war standard of pay was inadequate. Finally the measure of compensation granted by the agreement of 1920 represented an inadequate measure of compensation for the rise in prices over the 1914 level. Inasmuch as the Royal Commission on the Civil Service, 1931, registered its disapproval of the sliding scale system, the adoption of a consolidated wage may be hoped for in 1934, at the expiration of a temporary agreement whereby the index number will remain at 50.

In conclusion, it may be said that employees in the lower grades are better paid than they were before the war, but that their remuneration then was very inadequate. At the present time, the Post Office staff within inner London is not as well off as employees in other parts of the country. Most of the recent complaints have come from the manipulative and clerical classes located in London. Because of the super-cut and the sliding scale system, higher officials are relatively worse off than they were before the war.

Governments which are determined to reduce income and other forms of taxation will, as experience amply proves, cut the salaries of government employees as much as they dare. The condition of Post Office workers has been made far more difficult in late years because of the rigors of chronic depression and because of the difficulties of balancing the national budget. Intrinsically, the complaint of the postal worker is justifiable, because the business of the Post

Office has continued to expand, but the remuneration of the employee has progressively shrunk. The ultimate solution of Post Office remuneration policies would seem to depend, in the writer's judgment, upon the acceptance of the principle advocated by Civil Service staff associations in their evidence before the Royal Commission on the Civil Service. "We claim," stated the employees, "that the State Service must once more lead, not follow, the world of business. The State as employer no less than the State as the provider of social services for those members of the community who need them, has a duty and an interest in providing its employees with the means of maintaining that comfort in their home lives which is an essential background to loyal and efficient service."

PROMOTION POLICY AND MORALE

A sound system of staff promotion is one in which the devitalizing favoritism commonly found in industry and the deadening seniority often associated with the Civil Service have been eradicated. The British Post Office sets an enviable example in both these respects, and may justly claim to be a model for both industry and for other Civil Service systems. The record of the Post Office is particularly impressive because the size of the organization militates against the acquisition of first-hand knowledge concerning all the candidates for promotion. This difficulty is overcome by keeping service records, by consultation between the immediate supervising officers and higher officials, and by a highly developed committee system in which each member expresses his judgment concerning the candidates. By means of this system a wider knowledge of candidates is made possible, and the danger of personal prejudice is substantially less than under the one-man rule regime which is usually found in industry.

A successful promotion system should assure the rapid

advancement of young men of exceptional ability, and at the same time nourish the hope and ambition of the large number of faithful plodders whose claim to preference is based upon seniority. The several branches of the Post Office perform this difficult task with varying degrees of success, but the net result deserves commendation. Lord Haldane stated in 1919 that the constant willingness of the Post Office to promote the twentieth man on the eligibility list established a precedent which should be followed by government establishments everywhere. The practice of promoting promising postal employees, irrespective of seniority, appears to have increased steadily. For example, an instance came to the writer's attention in which an individual was promoted who was number 84 on the seniority list.

In most branches of the Post Office the choice between advancement according to seniority and promotion out of turn is decided as each case arises. The head of one of the most successful services has inaugurated a plan according to which a certain proportion of promotions are determined by seniority, and a definite proportion of openings are reserved for employees of unusual promise. Eventually these "A" men will fill executive positions requiring those rare qualities, leadership, imagination, and coordination. At the same time, the great group of "B" employees are assured that application and effort will be rewarded.

By means of the policies above described the Post Office has produced progressive leadership and a conviction on the part of the staff that advancement will depend upon merit rather than upon prejudice and favoritism. Even in recent years when salary conditions have been so depressing, the reassuring effect of Post Office promotion policies has helped to maintain the morale of the employees at a generally satisfactory level. Post Office promotions, although influenced by the depression, have been maintained far better than in industry. Employees are automatically

pensioned at the age of sixty, and in the C.T.O. several employees who were slowing down were retired on pensions at the age of fifty-five in order to maintain the efficiency of the service and to provide more opportunity for promotions.

The above observations apply primarily to the higher grades of the Post Office service. In the manipulative class, promotion expectations have not been encouraging in recent years and immediate improvement is necessary. Among telegraphists and telephone operators, for example, there is a period between the ages of thirty and forty-five when promotions are negligible. The deadening effect of this situation is readily observable. Discouragement is particularly noticeable in the telegraph service. In recent years the situation has been thoroughly investigated by the National Institute of Industrial Pyschology, which has been engaged to study all departments of the Post Office. As a result of the Institute's findings and recommendations steps are now being taken to improve the promotion incentives of the manipulative workers.

Promotions and pensions are two important factors underlying the efficiency and atmosphere of the Post Office. Permanence of tenure, particularly in a period like the past twelve years, represents another advantage which government employment has over industrial or public utility employment, although in the latter case the differences are not quite as great. Low wages can be tolerated better when security and a pension are assured, and when promotion is within the realm of possibility.

The most important asset of any undertaking is "atmosphere," as Lord Haldane pointed out to the Coal Commission in 1919. This intangible quality is found among the higher officials of the Post Office to a more striking extent than in any enterprise within the writer's knowledge, and the influence is so important, and its extension in future years is so vital, that an attempt should be made to analyze the

atmosphere which has been created in the Post Office services. A philosophy of administration has been evolved from the traditions and from the thinking of the academically inclined officials. The Civil Service philosophy has not solidified, nor are its details invariably interpreted in the same way, but the outlines may be learned by anyone who assiduously seeks them. Ruskin, Hobson, Shaw, Wells, Webb, Tawney, Cole, and Laski have had a great influence on the thinking and the conduct of Post Office leaders. Service is held to be the one incentive which transcends and regulates all others. Public service is the way and the end of a man's career. Wealth is not desired. Civil servants, as H. G. Wells says in "*Work, Wealth, and Happiness of Mankind*," are the "priest" type. "Give me my work, a little house, a family, a garden, and simple recreation," stated the head of an important Post Office service, "and that is all I shall ask."

There are many practical ramifications of a philosophy of management which is posited on the public service ethic, but space permits reference only to one. Such an atmosphere is contagious, because an official who is imbued with motives such as those described will be fundamentally interested in his staff. A former employee of the National Telephone Company afforded an arresting comparison between staff relations under private management and under the existing control. "The manager was a dictator," he said. "We would be called in and upbraided without a chance to defend our actions. We soon learned to tell him what he would like and nothing else. Under the Post Office we say or suggest anything we believe, and so long as we tell the truth no one will suffer. We are absolutely free, and it makes a big difference in the enjoyment of our work. True, it takes a little longer to reach decisions, but when they are reached they are more likely to be right." There is a world of suggestion in this comparison. Civil servants need to be shaken up occasionally, but progress is sure, stable, and democratic.

COOPERATIVE MANAGEMENT

In the administration of the Post Office there are several means by which the views of the staff are brought into the formulation and execution of policies. These methods consist of deputations representing employees' organizations which are received by the Postmaster-General or by the higher officials; the Local, Post Office departmental, and National Whitley Councils—the nearest approach to joint management; and arbitrations before the National Industrial Court. In all of these activities the staff is represented by officially recognized employees' organizations. There are in the neighborhood of thirty of these associations, representing every class and department of the Post Office. Prior to the Trade Disputes and Trade Unions Act of 1927, several Post Office unions were affiliated with the Trades Union Congress and the Labor party. Although formal collaboration was made illegal in 1927, informal cooperation remains very effective in several cases.

The Union of Post Office Workers, which was formed out of an amalgamation of several associations in 1920, is by far the largest of the unions. Its membership of 98,000 comprises the manipulative classes, as distinct from the supervising, engineering, and clerical classes. The main objectives of the Union of Post Office Workers are: "(1) Joint management of the Post Office in conjunction with the State and the development of the Service on lines of increased public usefulness; (2) Improvement of the conditions of pay and employment . . .; (3) The organization of Post Office workers into a comprehensive industrial union with a view to the Service being ultimately conducted and managed as a guild." It is obvious that a union which desires that the Post Office should be managed as a guild should consider the existing degree of cooperative management not entirely satisfactory.

Employees' organizations are almost ceaselessly engaged

in bringing large and small matters to the attention of the administration. Most of these questions concern claims which individual members wish to have presented, such as accident or compensation benefits. But the unions concentrate upon major policies as well, for they believe that theirs is the responsibility for making the Post Office progressive. For example, in recent years the Union of Post Office Workers has given particular attention to the desirability of introducing a Postal Cheque System and to the need for new Post Office buildings. The Union has had no success with the first proposal, but it may have had some influence in the latter case, judging from building operations. The importance of employees' representations before the Postmaster-General depends upon several factors, prominent among which are the complexion of the Government of the day, the approachability of the Postmaster-General, and his influence on the Cabinet, and the tact of the employees' representatives.

The Whitley Council system, which was instituted in 1919, affords the best opportunity for employee participation in Post Office management.[1] The hierarchy of Whitley Councils consists of local, departmental, and national boards, the latter serving the entire Civil Service. The National Whitley Council consists of fifty-four members, the official and the staff sides being equally represented. The Post Office unions are allotted ten out of the twenty-seven staff representatives.

The objects and functions of the Post Office Whitley Council are expressed as follows:

"The general objects of the Council shall be to secure the greatest measure of cooperation between the Administration, in its capacity as employer, and the general body of the staff in matters affecting the Department combined with the well-being of those employed; to provide machinery for dealing with grievances, and generally to bring

[1] Leonard D. White, *Whitley Councils in the British Civil Service*, 70–135, Chicago, 1933.

together the experience and different points of view respecting conditions of service within the Department."

The Council consists of not more than thirty-five members, of whom not more than ten are appointed by the official side and not more than twenty-five are selected by recognized staff associations. A member of the official side must be elected Chairman, and the Vice-Chairman is chosen from the employees' representatives.

The detailed functions of the Post Office Whitley Council are the same as those of the National Whitley Council. The jurisdiction of the Council will suggest the objects of the plan and the comprehensive character of the matters which are considered: (1) Provision of the best means for utilizing the ideas and experience of the staff; (2) Means for securing to the staff a greater share in and responsibility for the determination and observance of the conditions under which their duties are carried out; (3) Determination of the general principles governing conditions of service: e. g. recruitment, hours, tenure, and remuneration, in so far as these matters are peculiar to members of the staff of the Department; (4) The encouragement of the further education of the staff, and their training in higher administration and organization; (5) Improvement of office machinery and organization, and the provision of opportunities for the full consideration of suggestions by the staff on this subject; (6) The consideration of proposed legislation so far as it has a bearing upon the position of members of the staff in relation to their employment in the department; (7) The discussion of the general principles governing superannuation and their application to the members of the staff in the Department.

Two very important provisions regarding promotion and discipline are found in the constitution of the Post Office Whitley Council. "Without prejudice to the responsibility of the Postmaster-General for making promotions and maintaining discipline, it shall be within the competence of the

Council: (1) to discuss any promotion affecting the classes covered by the Council in regard to which it is represented by the staff side that the principles of promotion accepted by or with the sanction of the National Council have been violated; and (2) to discuss any case affecting the classes covered by the Council in which disciplinary action has been taken, if it is represented by the staff side that such a course is desirable."

Perhaps the most important provision of all is this one, which relates to decisions of the Council: "The decision of the Council shall be without prejudice to (*a*) the overriding authority of Parliament, and the responsibility of the Postmaster-General as such; (*b*) the responsibility of the staff side to its constituent bodies; (*c*) the authority of the National Council as the only Whitley Joint Body competent to deal with general questions. The decisions shall be arrived at by agreement between the two sides, shall be signed by the Chairman and the Vice-Chairman, shall be reported to the Postmaster-General, and thereupon shall become operative." The National Whitley Council will not hear appeals from departmental councils. In case of deadlock the matter may be referred to the Industrial Court if it is a matter which comes within the tribunal's jurisdiction.

The Whitley Council system has proved generally satisfactory, although it has not accomplished as much as was originally thought possible by some of its proponents. The Post Office and the Admiralty had already introduced a considerable degree of staff cooperation prior to the establishment of Whitleyism, so that there was a foundation upon which to build. In recent years the Whitley system has not accomplished spectacular feats like the reorganization scheme and the bonus agreement which were among the first fruits of the plan. During the period of financial stringency the Whitley Councils have produced very few cash results in response to the pleas presented by employees' associations. The principal benefit of Whitleyism is that

staff organizations are able to get more closely in touch with the official side than could otherwise be the case. Whitleyism, one of the originators of the plan has stated,

"is a scheme for providing opportunities for workers to explain their ideas more intelligently and intelligibly than can be done by memorials or mass meeting resolutions and of affording employers equal opportunities of stating frankly what is their position and what are their difficulties. It gives chances and opens up avenues of information both as to fact and to the workings of the minds of both employers and workers which do not exist in any other scheme of industry. When the principle of Whitley is carried into effect, many things which seem harsh on the one side or unreasonable upon the other are shown to have some real foundation, and the harsher features can usually be improved even if the main trouble cannot be entirely eliminated, but this depends upon mutual frankness and in so far as either side refuses information on fact or successfully conceals the workings of its mind, Whitley is in danger of failure, for its whole success depends upon 'seeing what the other fellow thinks.' "

The principle of arbitration for the Civil Service was agreed upon in 1923, and in 1925 provision was made for appeals to the Industrial Court of certain disputes regarding remuneration and conditions of service. Proceedings may be instituted by government departments, by recognized associations of employees within the National Whitley Council system, and by Departmental Whitley Councils allied thereto on the application of either party. The court will consider claims involving the emoluments, weekly hours of work, and leave of classes of the Civil Service, but cases of individual officers are excluded. The court will not hear cases involving classes with salaries in excess of £700 a year, except by the consent of both parties concerned

The Industrial Court was established in 1919, and for the trial of cases affecting the Civil Service consists of an independent Chairman and two additional members, one of whom is drawn from the Government panel and one from the employees' panel. In substance, because the two other representatives usually disagree, the Chairman makes the decision.

Although it cannot be claimed that the Industrial Court has been of substantial benefit to Post Office workers, because it has rejected many claims, yet on the other hand it has handed down certain favorable decisions, notably one in 1927 which increased the basic wages of the manipulative classes by £570,000 a year (including cost-of-living bonus). Certain employees' organizations favor the extensive use of the Industrial Court, but the Union of Post Office Workers, although regarding the court as a very useful piece of machinery, prefers to try to secure agreement by direct negotiation and hence does not appeal to the Industrial Court as often as do some other Civil Service organizations.

Probably the most significant aspect of these limited forms of cooperation is that the employees are gradually being educated in the principles and the responsibilities of administration. As their knowledge and appreciation grow, a further extension of joint management may be expected. At any rate, the feeling of pride and proprietorship which cooperation engenders are unquestionably factors which produce good workmanship and permanent progress.

SUMMARY

In conclusion, it should be repeated that the Post Office is by no means perfect, but that important improvements can be made. Chief among such reforms are more effective enlightenment of Parliament and of the public of actual Post Office accomplishments, greater freedom from Treasury domination, the creation of a functional board, more emphasis in general administration upon the financial and the engineering services, greater autonomy and coordination in the operating services, the prevention of too much centralization in the Secretariat, the granting of greater independence to provincial administration, and better standards of remuneration for employees generally.

When these suggestions are set forth apart from an accompanying explanation of the merits and accomplishments of the Post Office, the result is likely to appear more unfavorable than it really is. As a matter of fact, the efficiency of the Post Office has become so consistent that the public, having it permanently, mistakes minor dislocations and transitions in the continuous process of development for more serious complaints. The writer finds himself in agreement with a delegation of Post Office employees who, in answer to a proposal that the telephone service should be sold to a private company in order to raise revenue in the national emergency, stated to the Postmaster-General, "We submit that the critics will find it difficult, if not impossible, to point to any institution, or the staff of any institution, serving the public so well in the wide ramification of its services as the State-controlled British Post Office."