

The accounts and balance-sheets are not completed until well after the close of each year, and are therefore not included in the Department's annual report to Parliament. They appear in parliamentary paper B.-1 [Pt. IV], the latest published to date being for the year ended 31st March, 1946.

The Department controls fixed assets of a book value exceeding £21,000,000, and in building up this figure over the years there has been much discussion as to correct methods of apportionment of various classes of the Department's expenditure as between maintenance and capital, and as to proper provision for depreciation of assets. The correctness of the declared profit from year to year has depended to a considerable degree on the correct assessment of these charges, which must to some extent be arbitrary. The reserve for depreciation and obsolescence has been built up at 31st March, 1947, to a figure of approximately £7,750,000 in relation to assets of £21,000,000, and as these assets are kept in a state of good repair the reserve certainly appears to be on the generous side. The declared profit has also been affected by the creation of miscellaneous reserves such as fire, earthquake, and war damage (these three totalling £1,345,000 at 31st March, 1947). The Postmaster-General is empowered to establish these reserves "as he deems necessary."

The loan liability of the Post Office Account forms part of the public debt, the interest and incidental costs of management of which are paid out of the Consolidated Fund, and the Post Office Account pays to the Consolidated Fund interest at rates fixed by the Governor-General on the joint recommendation of the Minister of Finance and the Postmaster-General. The rate was last fixed in 1942-43 at 4 per cent., and the Profit and Loss Accounts of the Post Office have since been debited on that basis. This rate is somewhat in excess of the present average of the actual interest and incidental costs met by the Consolidated Fund, which approximates 3·2 per cent.

The Department is also required to pay "from time to time" to the Consolidated Fund the profit it earns, and in practice these payments have been made as required by Treasury. In the financial year 1947-48 an amount of £1,168,814 was paid over, representing a balance of £500,000 of 1943-44 profits, and £668,814, which was the total of the 1944-45 profit. This left due on 31st March, 1948, on demand from the Post Office, £2,107,895, being the profit for 1945-46, £709,967, and 1946-47, £1,397,928. These figures do not include the 1947-48 profit, as the accounts for that year have not yet been prepared.

A detail of Post Office expenditure, though small in amount, may be of interest. Some months ago a trustee of the estate of his deceased father, a former public servant, advised the High Commissioner in London that included in the assets of the estate were some dies of the New Zealand postage-stamps that are known to philatelists as the "Queen Victoria Full Face Issue," first printed in 1855. The trustee stated that his father had said to him that the