POST AND TELEGRAPH DEPARTMENT.

Post and Telegraph Department.

This Department paid into the Consolidated Fund as revenue for the year the amount of £3,323,260, which was £96,702 more than for the previous year. Working-expenses under the vote amounted to £2,297,058, maintenance of Post Office buildings cost £19,774, and, after allowing for interest and depreciation charges, the Department was able to close the year with a net profit of approximately £20,000.

Accounting changes.

In order to give the Department continuity of finance, and establish it upon a complete commercial basis, legislation was passed last session to separate the Post Office accounts from the Consolidated Fund. Henceforth these accounts will be shown in a separate account, which will enable honourable members and the public generally to obtain a better idea of the operations of this large Department. There will be brought into the Consolidated Fund as revenue full interest on the amount of loan capital sunk in the assets of the Department.

Post Office Savings-bank.

The Government's policy in regard to the Post Office Savings-bank was outlined by me in the House last session. In pursuance of that policy steps have been taken to reduce the maximum amount of deposits on which interest is payable from £5,000 to £2,000, while making an exception in the case of deposits in excess of £2,000 at the time for so long as they remain on deposit. The change operated as from the 1st April last.

Function of a savings-bank.

The function of a savings-bank is to provide facilities for the safe investment of the small savings of the people. The manner in which the funds of a savings-bank are invested is quite unsuited for handling commercial deposits and large floating balances.

Any considerable amount of floating balances practically at call is, in fact, a danger to the stability of a savings-bank. On this account the maximum amount of individual deposits in savings-banks in all countries is severely restricted. In Australia, I understand, the maximum for the Commonwealth Savings-bank is £1,300, and for the other banks less than that. These restrictions not only practically exclude commercial deposits, but provide an additional safeguard, in that a large number of depositors must be simultaneously seized with the desire to withdraw their money before there is any appreciable chance of straining the liquid resources of the bank concerned.

Post Office Certificates.

At the same time, in order to provide facilities for the investment of savings for fixed periods and any amount, arrangements were made to issue Post Office Investment Certificates on attractive terms. These provide for investment of any amount for periods of one, two, and five years at rates of interest varying from approximately $4\frac{1}{2}$ per cent. to $5\frac{1}{4}$ per cent. These certificates, I am pleased to say, are proving popular, and in the six months to the end of the last financial year investments amounted to £541,790.

National saving certificates on similar lines are issued in Great Britain, where they have proved a very popular instrument of thrift, the holdings of the people amounting to the sum of £360,000,000.

UNEMPLOYMENT.

Unemployment.

In order to provide work for those who had the misfortune to be out of employment, the Government arranged for additional works, mostly on roads and tree-planting, to be put in hand during 1927–28. The expenditure on such works amounted to approximately £397,000. In addition, subsidies earned on works undertaken by local authorities during the year totalled £113,000, so that the total cost of unemployment works to the State was £510,000.

As unemployment is again prevalent this winter, steps were taken, as soon as the House met, to further extend the life of the legislation empowering local authorities to raise loans expeditiously for unemployment works without taking a poll of ratepayers.

In the same Act—Local Authorities Empowering (Relief of Unemployment) Amendment Act, 1928—the provision for payment of subsidies out of the Consolidated Fund on wages and voluntary contributions was extended to £300,000, inclusive of the amount paid over last year.