

INVESTMENT IN IMPERIAL WAR LOAN.

Before leaving London I arranged to invest a further sum of £1,500,000 of Dominion funds in the March Imperial war loan.

The total amount of Dominion funds invested in London as at 30th September was £17,869,912. This amount is inclusive of the ordinary revenue reserve to which I have already alluded.

I wish to point out the great financial strength the investment of this large sum gives to the Dominion. There will certainly be great financial readjustments in the near future. I will lay before honourable members, when I am in a position to do so, the course that, in the best interests of the country, it is desirable to adopt.

POST OFFICE SAVINGS-BANK RESERVE FUND.

The Post Office Savings-bank has grown to be a great financial institution, and is greatly valued by a large section of the community. It is a Department that helps to inculcate the great lesson of thrift, and the support of the Government of the country provides the necessary stability to its finances which is essential for its successful operations. I think, however, that the time has arrived when, as is the case with other large financial institutions, a reserve fund should be created for the Savings-bank. The chief object I have in mind in suggesting this is that in the years to come there may be—though there are no evidences of it at present—a depreciation in some of the stocks in which the Post Office has invested, and a reserve fund could be used for equalization purposes. The sum at present available amounts to £350,000, and this amount I propose to set aside as a reserve for the purposes I have indicated.

PUBLIC SERVICE.

The different Departments of the Public Service have, in common with other establishments in the Dominion, been necessarily inconvenienced very greatly by the absence of many members of the staffs at the war, and it is a matter for congratulation that, during the trying times of the past four years, the increased work and responsibility due to war conditions have been so ably undertaken and so satisfactorily carried out.

Unfortunately, owing to the greatly increased cost of living as a result of the war, the pay of the Civil servant has not been found to be adequate, and when the supplementary estimates are brought down the House will be asked to authorize certain additional payments to the officers of the State so as to relieve them somewhat of the difficulties which they are now experiencing from the cause mentioned. Legislation dealing with the Post and Telegraph Department will also be submitted to Parliament, and the House will be asked to put it on the statute-book.

FUTURE OBLIGATIONS.

I desire to impress upon honourable members the magnitude of the additional expenditure to which the Treasury would be committed if the pressure that is being brought to bear on the Government from various parts of the Dominion were to be acceded to.

The Government is urged to undertake extensive water-power schemes throughout the Dominion at an estimated expenditure of over £6,000,000. A demand for additional education requirements, amounting to £3,000,000 for new buildings, &c., has been made from various quarters. Such amounts are entirely beyond the capacity of the country to provide at present. The interest and sinking-fund charges on war loans amount annually to, say, £3,300,000. Increased pay and war bonus to officers of the Government service, in addition to the ordinary increases due to the classification—say, £1,000,000. Balance of [the] authorization for railway improvement, £2,667,000.

The above services alone would represent an additional expenditure of £15,967,000 in round figures, and when we consider that these items are in addition to other heavy burdens which the country is shouldering in connection with the war, and that I have made no mention of the annually recurring expenditure such as for public works, I feel sure that honourable members will fully recognize the difficulties and complexities of future finance if all these services are to be provided for. I feel it my duty to utter an emphatic note of warning that it is imperative that honourable members and the public should exercise a restraining influence until the country knows what its full war responsibilities are, and these can only be