

Deposits in the Post Office Savings-bank amounted to £26,682,427, and withdrawals to £27,769,263—an excess of withdrawals over deposits amounting to £1,086,836. The amount of interest added to depositors' accounts largely exceeds the excess of withdrawals. The amount at the credit of depositors at the 31st March, excluding interest for the year, was £42,754,868. The position is now improving, as, since the close of the year, the amount of deposits has exceeded the amount of withdrawals. There are 690,790 depositors, and the average for each depositor is £64 4s. 4d.

Other business of the Department included the issue of money-orders and postal notes to the total value of £5,020,890, and the payment on the same account of £4,699,767. War-loan certificates redeemed up to the 31st March amounted to £3,349,074.

Increased expenditure arising out of war conditions still continues; but, as a result of the successful efforts made to keep down expenditure, the amount asked for this year is £162,000 less than that voted the previous year, although it includes statutory increases in salaries due to the lower-paid officers, and an amount of £25,000 for overtime which previously was compensated for by the allowance of "time off."

At the end of the financial year the total number of employees was 8,574—7,542 permanent officers, 395 temporary employees, and 637 casual men. The number at the end of the previous year was 8,679—7,657 permanent officers, 429 temporary employees, and 593 casual men. A reduction of 105 in the total number employed was thus effected during the year.

PENNY POSTAGE.

On and after the 1st October, 1923, the penny-postage system will be re-established within the Dominion, to all parts of the British Empire. I estimate that the loss of revenue by so doing will be in the vicinity of £250,000. But, in view of the buoyancy of trade at the present time, the loss should be of a temporary nature only, for there will be a large increase in the volume of correspondence posted, which before very long will bring the revenue up to the original level. The loss in revenue during the unexpired portion of the present financial year will be about £125,000.

TELEPHONE RATES.

Honourable members are aware that the question of amending the telephone charges has been under discussion for some time. The whole matter has received the consideration of the Government, and it has been decided to bring the amended charges into operation on the same date as the reintroduction of penny postage—namely, the 1st October next. In order that honourable members and the public generally may be able to see at a glance the effect of the amended charges, I have included in the Budget tables a statement illustrative of the position. It will be observed that the rates decided upon mean a fairly substantial reduction on those at first proposed; and I am hopeful that, with a full year of the increased revenue, the Telephone Branch will be self-supporting. The profits of the Postal Branch, which in the past have been supporting the Telephone and Telegraph Branches, can now be handed back to the public as a concession by way of penny postage, to which I have already referred.

LAND-SETTLEMENT.

The demand for virgin lands has been restricted, only sections in favourably situated localities being taken up. The Government is continuing to offer all available lands for general application, in most cases with preference to discharged soldiers.

During the year a total area of 29,588 acres was set apart for selection by discharged soldiers, principally in the North Auckland and Hawke's Bay Districts. Proclamations setting apart 46,546 acres of Crown land and 3,812 acres of settlement land for discharged soldiers were revoked in order to open these lands for public selection, owing to the reduced demand by discharged soldiers. The total area set apart for selection by discharged soldiers to the 31st March, 1923, was 1,397,339 acres, a large proportion of which has since been made available for general application.