

£5,812,900, and this, together with the payments already received (£1,750,000), is the cash return that New Zealand may expect towards reimbursing her for the losses incurred as the result of the war. In addition to the cash return there is, of course, the value of the reparation estates in Samoa, which are now the property of the Dominion.

- (c) To the capital of the newly constituted Bank for International Settlements the Government recently agreed to contribute the sum of £22,566 out of reparation-moneys received from Germany. The capital is required to enable the Bank to conduct exchange operations and to provide part of the administration expenses.
- (d) A separate agreement has also been concluded between Germany and New Zealand whereby all German property in New Zealand remaining unliquidated at the date of the agreement will be returned to the German nationals concerned. The value of the property to be returned, subject to certain claims, is approximately £21,000, and this amount is at present held by the Public Trustee as Custodian of Enemy Property. The New Zealand Reparation Estates in Samoa are deemed to have been finally disposed of, and in terms of the agreement are to be retained by the New Zealand Government.
- (e) With a view to capitalizing a portion of the German reparation annuities, a total loan of approximately £60,000,000 was recently raised abroad, London contributing £12,000,000. An opportunity was given to place portion of the loan on the New Zealand market, but the Government deemed it advisable to decline the offer. New Zealand's share in the proceeds amounts to approximately £74,000.

GOVERNMENT TRADING DEPARTMENTS.

With the exception of the railways, which I will deal with shortly, all the Government trading departments closed the year with profits.

Trading
departments.

The Post and Telegraph Department, after allowing for depreciation and other reserves, earned a net profit of approximately £10,000. As an indication of the volume of business transacted, I might mention that the total cash receipts amounted to £3,641,619, and the payments to £3,111,199, including the sum of £481,000 paid to the credit of the Consolidated Fund as interest on capital. A further sum of £500,000 was carried to the reserve for the renewal and replacement of telegraph and telephone equipment. Owing to the comparatively short life of this class of asset, a substantial sum requires to be set aside each year in order to apportion the cost of such replacements and renewals equitably over the working-life of the equipment. The Department, however, is not reducing profits by reserving more than is actually required, and even on the present basis the rate of depreciation charged is substantially less than that allowed by telephone companies overseas.

Post and Telegraph
Department.

The savings-bank business conducted by the Department continues to be popular with the general public of the Dominion. The deposits for the year amounted to £28,561,854, and the withdrawals to £29,575,994. The withdrawals exceeded the deposits by £1,014,140, compared with £859,559 for the previous year. The interest credited to depositors amounted to £1,806,414, as against £1,745,050 for the previous year, so that notwithstanding the heavy withdrawals the accumulated funds show an increase of £792,274, the balance at credit of depositors on 31st March last amounting to £49,436,491.

Post Office
Savings-bank.

The Post Office Investment Certificates sold by the Department are becoming increasingly popular for the investment of the savings of people with small means, and the sales for the year under this heading amounted to £639,000.

Post Office
Investment
Certificates.

The rapid progress of the Public Trust Office was more than maintained during the year. The value of estates and funds under administration on the 31st March was £53,049,437—a further record for the Office—new business amounting to £8,473,916 having been accepted throughout the year.

Public Trust Office.

The net profits for the year totalled £13,256, and in considering this amount account must be taken of the substantial reductions made during the year in

Profits.