

1359. In so far as the year ended 31st March, 1932, was concerned the Department, by reason of increased profits arising from the higher postal charges then prevailing, and by reason of an adjustment of the charge for depreciation, was able to assist the Consolidated Fund to the extent of almost £1,000,000, in addition to which interest on Post Office capital was also paid to the Consolidated Fund. Notwithstanding the foregoing, if any savings can be effected in the expenditure of the Department, or if unremunerative services can be made remunerative, there will be a corresponding gain to the Consolidated Fund.

1360. **The unremunerative services referred to are as follow :—**

Name of Service.	Amount received.	Deficiency carried by the Post and Telegraph Department.
	£	£
Ministerial memoranda	2,000	2,304
Members of General Assembly telegrams	1,200	1,093
Franked Government messages	600	596
Franked toll cards and toll accounts	150	667
Shipping telegrams	5,000
Press messages	73,840	53,000
Rural deliveries	10,345	2,000

1361. **In addition, the following free services are provided by the Department :—**

1362. *Daily Radio Press Messages to Pacific Islands and Ships at Sea.*—The estimated value of this service at 1½d. per word for transmission and £100 for preparation is £1,100 per annum.

1363. *Newspaper Exchanges : Postage.*—Estimated value, £4,000.

1364. *Notices under the Health Act addressed to the Health Department (Section 136 (3), Health Act, 1920) : Postages.*—Estimated value, £138.

1365. *Newspapers for Light-keepers and for Libraries, Charitable Institutions, &c. : Postages.*—Estimated value, £915.

1366. **The following services are provided by the Department at considerable concessions in price :—**

1367. *Postage on Hansard.*—A bulk rate of 2d. per pound on separately addressed packages weighed together. This represents a 50 per centum reduction.

1368. *Other Government Publications.*—A bulk rate of 3d. per pound on separately addressed packages weighed together. This represents a reduction of 25 per centum.

1369. *"School Journal."*—A bulk rate of 3d. per pound on separately addressed packages weighed together. This represents a reduction of 25 per centum.

1370. *Books for Light-keepers.*—A bulk rate of 2d. per pound on separately addressed packages weighed together. This represents a 50 per centum reduction.

1371. *"The Navy" (Organ of Navy League).*—A bulk rate of 2½d. per pound on separately addressed packages weighed together. This represents a reduction of 36 per centum.

1372. *Books exchanged between Libraries and between Libraries and their Subscribers, between recognized Book Clubs and between recognized Book Clubs and their Subscribers.*—2d. per pound up to 5 pounds. This represents a reduction of 50 per centum.

1373. **We recommend that the services enumerated above be reviewed, as it is evident that some at least should be charged for at the full cost. Incidentally, as the Department is now more or less on a commercial basis, free services should only be given if specifically approved by the Legislature.**

1374. In addition to a review of the services we accordingly recommend that those which are considered a proper charge against taxation should be provided for each year on the vote of the appropriate Department.

1375. In view of present financial conditions it would not be unreasonable to expect at least a 50 per centum contribution towards free services and a 50 per centum increase in the charges at present levied for partly remunerative services.

1376. **We draw particular attention to the deficiency of £53,000 in connection with press telegrams.**

1377. In addition to the foregoing the rural telephone-lines are operated at loss, but it is not possible to state the exact loss. On a selected number of lines the percentage of loss to revenue is 13·67.

1378. Furthermore, the wireless service during 1930–31 showed a loss of £8,871, but this is a national service of great convenience to the travelling public and necessary for the safety of shipping.

1379. The telegraph branch also showed a loss of £115,304, of which the loss on press messages already referred to was a part. This loss was largely offset by the profit on the toll and telephone branches, and the development of those branches has probably resulted in reduced telegraph revenue. We do not think an increase in the transmission rates is possible or advisable, and therefore **any saving can only come from a reduction in the operating-costs of the branch.**

Post and Telegraph Workshops.

1380. In Wellington the Post and Telegraph Department maintains a well-equipped workshop for the manufacture of office furniture and joinery, in addition to equipment and staff for the repair