

Government stock on which the interest would be £60 per annum only is debarred from getting any age-benefit. In such cases it is proposed to provide for some increase to meet higher living costs by reducing the rate of abatement for accumulated property to £1 for every £15 instead of every £10 of such property. Thus in the case quoted the widow would receive an age-benefit of £36 10s. a year instead of nothing under the present legislation.

Although the saving in Government expenditure on subsidies will be to some extent offset by higher costs of wages and stores, there will be a considerable net saving which will avoid having to call upon the community for higher taxation to pay for the increasing cost of defence, social services, and other established costs. At the same time the individual is left more free to do his part in combating inflation by using his own judgment as to whether and what he will buy at the price. In other words, the people pay as consumers instead of as taxpayers.

State Trading Undertakings

Steps have been taken to place State commercial concerns on a businesslike and payable basis. Over the last four years the operation of the Post Office had suffered a setback from a profit of more than £1·1 million, after meeting all expenses and interest charges, to an estimated loss of £250,000 in 1949–50. The Railways for 1949–50 showed an operating loss of over £1 million and a loss after charging interest on capital of £3·8 million. Similar tendencies appear in other accounts, such as the State Coal-mines, the Broadcasting Service, and the National Airways. It is the policy of the Government to ensure that as soon as is practicable State trading undertakings are restored to a sound financial basis. The cost of operating such services must be met, and in general it is more equitable that the services should be paid for by those who use them rather than by the taxpayer. With this objective, adjustments have recently been made in the charges of the Railways and the Post Office. As already announced, the Government is offering to sell the National Airways services as a complete going concern or in suitable parts. It is considered that the services would do better under private management. Steps will be taken to ensure that safety standards are maintained.