

1905.

NEW ZEALAND.

# FINANCIAL STATEMENT

*(In Committee of Supply, 25th July, 1905)*

BY THE COLONIAL TREASURER. THE RIGHT HON. R. J. SEDDON, P.C., LL.D.

MR. MILLAR,—

I have now the honour to submit my tenth Budget, which I hope will prove satisfactory, for there is ever a natural desire on the part of members to have the Statement dealing with the finances of the colony as early as possible—finance being of paramount importance, and the barometer by which the progress of the colony may be accurately gauged.

A very pleasing feature of the Statement arises from the fact that we have been able to provide for an increased grant for the deserving aged, for an increase to the salaries of school-teachers, and to largely increase otherwise the grant for educational purposes, to provide also for the development of the natural motive power in our lakes and rivers, for the irrigation and water-supply so essential to Central Otago and to our goldfields generally; and after doing so, and making provision for the supplementary estimates, there will still remain a substantial surplus.

The transfer of £600,000 last year from the Consolidated Fund to the Public Works Fund marks an epoch well worthy of note, seeing that that sum at 4 per cent. is equal to a saving in interest to the taxpayer of £24,000 per annum. Another matter for congratulation is that we had to the credit of the Public Works Fund on the 31st March last £861,000, being the largest credit balance and amount available for many years past, notwithstanding the fact that the expenditure on public works amounted to £1,282,378 during the past year. It is felt that this should be satisfactory and pleasing to members generally. This sum, with the aid of moneys intended to be raised, and referred to later in the Budget, goes to insure the extension of railways and the construction of roads, especially those in the back blocks.

The increased public debt should not give concern, because, as will be seen from the table attached, a very large amount of it is directly interest-producing—that is, those borrowing the money from the Government pay the interest. Thus, the Advances to Settlers and Land for Settlements Departments, and others, are self-supporting: in addition to this, real estate forms a direct security for the loans referred to.

As a matter of fact, the taxpayer during late years has had only to provide interest on about 50 per cent. of the amount of the increased indebtedness.

I have not, however, the slightest hope that there will be any departure from what has occurred in the past—namely, a demand for increased expenditure on public works, especially on railways in given parts of the colony: each member representing a district, or members representing provincial districts, will claim that certain railways and particular roads should have preference, and because sufficiently large increases have not been made they will find fault with the Administration. Then, again, if sums are expended, they will proceed to denounce the Government and its administration for having increased the indebtedness of the colony, ignoring the fact that they had used strenuous efforts to induce the Government so to do. In other words, if