

SESSION II.
1912.
NEW ZEALAND.

PRECIS OF FINANCIAL STATEMENT

DELIVERED 6TH AUGUST, 1912, BY THE MINISTER OF FINANCE, HON. J. ALLEN.

Laid on the Table by Leave of the House.

THE Statement begins by setting forth the revenue and expenditure for the financial year ended 31st March last. The actual revenue was £11,032,544, or £603,534 above the estimated revenue. The actual expenditure was £10,304,368, which was £264,309 less than the estimate. A comparison of the expenditure for the last financial year with that for the preceding year, 1910-11, shows an increase of nearly a million pounds, of which 78 per cent., or nearly four-fifths, is accounted for under the heads of Interest and Sinking Fund, Working Railways, Internal Affairs, Defence, and Education. The increase in the expenditure of the Internal Affairs Department is due mainly to the cost of the general election and the census, but the other large increases are unavoidable unless we alter our policy in regard to railway-extension, borrowing, and education.

THE PUBLIC WORKS FUND.

The amount available at the beginning of the last financial year was £1,140,045: a sum of £500,000 was transferred from the Consolidated revenue, and £698,605 loan-money was received during the year; total, £2,350,796. The expenditure was £2,268,216, so that the balance at the 31st March, 1912, was £82,580. At the same date the balance of loan-money to be received was £1,050,000, so that the amount in the Public Works Fund available to start the current year with was £1,132,580.

THE PUBLIC DEBT.

The gross public debt at the end of the financial year amounted to £84,350,713; deducting the sinking funds, we have for the net debt £82,241,999, of which £16,847,314 is chargeable to the State-guaranteed Advances Fund.

The public debt was increased during the year by £3,272,591 (State-guaranteed debt, £2,153,115; public works, £670,690; Naval Defence Act, 1909, £279,750; increase by conversion, £126,505). We have had of late to pay a higher rate of interest for our loans, but this is not peculiar to New Zealand; it is therefore reasonable to assume that the rate of interest on our future loans will rise.

PUBLIC DEBT EXTINCTION.

The period fixed for the extinction of all our loans is seventy-five years; the annual contributions to the sinking fund are to be paid out of the consolidated revenue, and the accumulated moneys, until they are required for the repayment of the public loans, are to be invested in loans to settlers and workers and local authorities. Last year the contribution to the Public Debt Extinction Fund was £144,885; it is explained, however, that this imposes upon the Consolidated Fund an additional burden of less than £11,000. The amount to be provided for the current year will be £149,885.

ADVANCES TO SETTLERS, WORKERS, AND LOCAL AUTHORITIES.

The amounts of the loans paid over last year by the Advances Office were: To settlers, £2,174,085; to workers, £543,840; and to local authorities, £871,735. The loans raised for the three branches during the year amounted to £1,346,114. The large sums now being received in repayments will enable the more pressing applications for loans to be met with but little borrowed money, and in the course of ten years, with the large repayments and the aid of the sinking funds, it should be possible to do without loans altogether.