

The triennial examination of the fund has been made by the Government Actuary, who reports that, in addition to the present Government contribution of £17,000 per annum, a further sum of £16,000 will be required for each of the years 1916, 1917, and 1918.

#### INSURANCE OF PUBLIC BUILDINGS.

In 1913 a special sinking fund was established for the purpose of covering losses on public buildings destroyed by fire. The Government contribution of £10,000 per annum is paid over to the Public Trustee, and the amount at credit of the fund now stands at £30,933, whilst claims amounting to £1,011 have been paid, and others are under investigation.

#### ORDINARY REVENUE ACCOUNT.

I now have to submit the position of the Ordinary Revenue Account for the first four months of the present financial year ended the 31st July ultimo. There has by comparison with the corresponding period for the previous year been an increase of expenditure in all the annual appropriations except three, the increases amounting to £303,889, and the decreases to £73,696. The effect of the war has had much to do with the position disclosed. It must be apparent that such a heavy increase for the four months referred to clearly demonstrates that the times through which we are passing have adversely affected the various Departments, and that an adjustment must be made to ensure that these Departments are placed in such a position that the revenue will exceed the expenditure. It will also be absolutely necessary for all Departments that are not of a trading nature to be considerably restricted so far as expansion of service is concerned in order that a closer relation to the financial needs of the country may be maintained.

I think it only right to say that the result of the four months' financial operations of the present year gives the Government some concern, showing as it does an increase of expenditure over receipts for that period of £307,982 and an increase of £350,000 of Treasury bills in comparison with the corresponding period of last year. I now submit a Treasury statement showing approximately the expected position of the Consolidated Fund for the three months ending the 31st October next. It estimates a deficiency of £289,000, the Accountant—rightly, in my judgment—stating, however, that it “is difficult to estimate the revenue owing to possible decreases.” With this I agree; and while I think the balance of available Treasury bills may prove to be adequate to meet any contingencies that may arise, still I am of opinion that as a precautionary measure it would be prudent to have authority to increase the Treasury bills for use either in New Zealand or England, and I will submit proposals to that effect. It is unnecessary for me to inform honourable members that until the Empire is at peace again, and before the extra revenue from the alterations I am submitting is realized, circumstances may conceivably arise that would call for the temporary use of a larger issue of Treasury bills than the maximum amount now available. In normal times nothing approaching the present amount would be needed. The increased facilities for inward steam tonnage should materially help both the Customs and railway revenue, as it will result in increased imports, and, indeed, increased internal trade throughout the Dominion generally.

The following is the estimate of the position of the Consolidated Fund for the three months ending 31st October next:—

	£	£
Cash, 1st August	140,000	
Estimated receipts—		
Revenue, 1st August to 31st October	2,643,000	
Transfer from War Expenses Account the amount charged to Unauthorized	78,000	
		2,861,000
Estimated expenditure, 1st August to 31st October		3,150,000
Deficiency		<u>£289,000</u>