

The following explains the difference between the Estimated Revenue for 1915-16 and the Actual Revenue received for 1914-15.

	Estimated 1915-16.	Actual 1914-15.	Difference.	
			More.	Less.
	£	£	£	£
Customs	2,800,000	3,167,283	..	367,283
Railways	4,000,000	4,106,675	..	106,675
Stamp and Death Duties	1,220,200	1,417,207	..	197,007
Post and Telegraph	1,345,000	1,353,443	..	8,443
Land-tax	790,000	799,641	..	9,641
Income-tax	525,000	540,318	..	15,318
Beer Duty	124,000	127,660	..	3,660
Registration and other Fees	100,000	101,020	..	1,020
Marine	50,400	50,387	13	..
Miscellaneous	419,000	461,498	..	42,498
Territorial Revenue	210,000	239,623	..	29,623
Endowment Revenue	92,654	78,770	13,884	..
			13,897	781,168
				13,897
Totals	11,676,254	12,443,525	..	767,271

It is necessary, when estimating the amount which will have to be obtained by fresh taxation, to consider, as well as we are able, the ultimate annual amount to which the country will be committed in connection with war expenditure and other special demands in order that suitable provision may be made to meet the burden. It is impossible for any one to say with any degree of certainty what amount the Dominion will have to find to cover war pensions, but the best estimates which have been provided place the amount at approximately £1,000,000 per annum, on the assumption that the war will last another year. The annual interest and sinking fund payable on war loans of, say, £12,000,000 will amount to, roughly, £700,000. The whole of these amounts will not fall to this year's finance, but in addition to the deficiency shown for the current year of £827,941 we must provide for, say, £150,000 for supplementary estimates, £34,000 additional for Superannuation Fund, and a considerable proportion of the pension and interest I have referred to.

There must be neither delay nor uncertainty in the country doing its financial duty to those who have offered their lives for the protection of every man, woman, and child in the Dominion, and who have assisted in the preservation of the British Empire. It is next to impossible to forecast with any approach to exactness what the position will be at the end of the war. I have endeavoured to the best of my ability to keep on the safe side, but much depends on circumstances beyond the control of the Government or the people.

PROPOSED INCREASES OF REVENUE.

Though the demands are large it is well within the capacity of the country to provide the necessary ways and means to meet them, and it must not be forgotten that every country engaged in the present war has to face huge deficits and to shoulder burdens of an unprecedented nature. In this respect New Zealand is in a similar position to other parts of the British Empire. With the object of providing for the deficit, and for the interest and the sinking fund required for the final payment of all war expenditure, it is necessary that some adjustments in taxation and in the rates for public services should be authorized by Parliament.

The financial position created by the war is one calling for prudent and vigorous treatment, and must be faced by the Government and the people with inflexible courage. I cannot too strongly impress upon every section of the community the necessity for care and economy, especially in the matter of