

FINANCIAL RESPONSIBILITIES.

TO BE PROVIDED BY LOANS.

The following table indicates generally the loan-moneys required during the twelve months commencing 1st September, 1919, also the unexhausted authorities for borrowing already provided, or to be provided this session, the cash balances available at that date, and the sources from which it will be necessary to secure the loans.

Requirements.	For Year ending 31st August, 1920.			Source of Supply.	Yields Interest to recoup Consolidated Fund.
	Amount.	Unexhausted Authority, &c., and New Authority.	Cash in Hand and Imprest, 1st September, 1919.		
For cost N.Z. Expeditionary Force and treatment of sick and wounded, repatriation, &c.	£ 8,775,000	Finance Acts (1918), £15,695,215, of which £10,000,000 is now being raised in New Zealand	£ 7,914,788*	From the public in New Zealand	No.
Gratuities and allowances	6,050,000				
Discharged soldiers settlement	12,500,000	Discharged Soldiers Settlement Loans Act, 1919, £11,079,140	1,420,860	Surplus revenue (see paragraph following)	Yes.
Land for settlements on account of soldiers	2,000,000	Discharged Soldiers Settlement Loans Act, 1919, £2,000,000	Nil	From the public in New Zealand	Yes.
Total for soldiers ..	29,325,000				
Public works	500,000	£2,090,000	435,689	From the public in New Zealand	No.
Education buildings, &c.	500,000	To be provided 1919 (£500,000 for current year and £750,000 for subsequent years)	Nil	From the public in New Zealand	No.
Total	£30,325,000			..	

* A considerable portion of this has already been spent, but vouchers have not yet reached the Treasury.

In addition to the above new requirements the Treasury will also have to raise money to carry on the development-works and other State activities now in progress throughout the Dominion.

ACCUMULATED SURPLUS.

It is not, in my opinion, wise to raise the £12,500,000 required for discharged soldiers settlement by public subscription in New Zealand, nor is it feasible to float a loan for the purpose outside New Zealand. I purpose, therefore, to provide this amount from the accumulated surplus, which it is hoped will be restored to the full amount, £15,239,561, by the 31st March, 1920, leaving a balance after making this provision of accumulated surplus £2,739,561.

The Reserve Fund securities, which at present amount to £800,000, have proved of great assistance during the war-time, and it is, in my opinion, advisable to strengthen these securities by utilizing £1,200,000 of the remaining accumulated surplus in order to bring the total Reserve Fund securities up to £2,000,000.