

The Government has no intention of moving towards a reversion to political control of the Public Service, but on the contrary proposes to ask Parliament to strengthen the existing law.

## FINANCE.

## WAR LOANS.

At the end of the financial year the loans arranged by the Treasury on account of war expenditure amounted to £80,089,025, of which £53,748,780 was raised in New Zealand, and £25,840,000 was advanced by the Mother-country mainly for the maintenance of our troops in the field. I submit hereunder a statement showing the amounts borrowed under the various authorizing Acts:—

STATEMENT OF WAR LOANS AUTHORIZED, AND THE TOTAL AMOUNTS RAISED IN NEW ZEALAND AND LONDON RESPECTIVELY, WITH CHARGES AND EXPENSES THEREON, AS AT 31ST MARCH, 1920.

Authorizing Acts.	Amount authorized.	Raised in New Zealand.	Advanced by Imperial Government.	Total Amount raised.*
	£	£	£	£
Public Revenues Amendment Act, 1914 ..	2,000,000	..	2,067,411	2,067,411
Public Revenues Amendment Act, 1915 ..	10,000,000	2,093,750	8,105,992	10,199,742
Finance Act, 1916 .. ..	16,000,000	11,572,450	4,736,842	16,309,292
War Purposes Loan Act, 1917 .. ..	28,000,000	23,273,535	4,830,000	28,103,535
Finance Act, 1918 .. ..	20,000,000	13,420,520	6,600,000	20,020,520
Finance Act, 1918 (No. 2) .. ..	10,000,000	3,388,525	..	3,388,525
Totals .. ..	86,000,000	53,748,780	26,340,245†	80,089,025

\* Including charges and expenses.

† Actual amount advanced .. .. £ 25,840,000

The capital liability thereon .. .. 500,245

£26,340,245

The annual charge for interest and sinking fund on these loans amounts to £4,489,770, made up as follows:—

*Annual Interest and Sinking Fund chargeable against the Consolidated Fund on Moneys borrowed for War Purposes as at 31st March, 1920.*

Annual interest charges—

	£		£
On 2,810 at 3 per cent.	..	..	85
On 1,168,421 at 3½ per cent.	..	..	40,895
On 4,744,750 at 4 per cent.	..	..	189,790
On 50,108,383 at 4½ per cent.	..	..	2,254,877
On 24,064,661 at 5 per cent.	..	..	1,203,233

£80,089,025

£3,688,880

Sinking fund—

1 per cent. on £80,089,025 .. .. 800,890

£4,489,770

The capital liability and interest charges incurred in connection with the amounts advanced by the Imperial Government are set out in the following statement:—