

## SUMMARY.

ECONOMIES, SAVINGS, REDUCTIONS, ETC.				£
Actual in Departments and special Acts from 1st April, 1921	..	..	..	2,352,863
Interest and sinking-fund charges	..	..	..	696,950
Other economies proposed, effected, and in hand	..	..	..	1,676,000
Total Consolidated Fund				4,725,813
Miscellaneous Departments and accounts	..	..	..	464,606
Grand total				£5,190,419

In considering the foregoing it is necessary to remember that the estimated expenditure includes the cost of those automatic increases which inevitably follow the growth of population and expansion of business. These are substantial items which being statutory cannot be avoided, such, for instance, as interest and sinking fund, pensions, scale increases to salaries of public servants, education, hospital and other social services, whilst, of course, administrative charges are proportionately increased. As the country develops new services require also to be undertaken. All of this represents expenditure that cannot be eliminated, and amounts to a large sum, which tends to obscure the effect of the economies.

The figures, however, should, I think, satisfy honourable members that the attention I am giving to this important matter has already brought about satisfactory results. The estimated savings in full in respect of the economies and adjustments in course of operation should in the main be realized by the end of the current financial year.

I do not suggest that this is a complete programme of what is required to be done, as I am convinced that the most important part of the policy of this country for a considerable time to come (along with energetic development) must be retrenchment and economy. If we profit by the lessons of the last two years the depression from which we have suffered will not have been an unmixed evil. Every possible effort on the part of the Government, Parliament, and people should be used in the direction of reducing the cost of government, of reducing the cost of production, of reducing taxation, and consequently keeping the public expenditure within the public income. There will be no satisfaction until this is accomplished, and there should be no slackening-off.

These difficulties are not peculiar to New Zealand, and, as an illustration of the financial burdens imposed by the war on Governments in other parts of the world, I have included an interesting table showing the abnormal increases since 1913-14.

## ESTIMATE OF REVENUE.

The causes which reduced the revenue of the last financial year will continue to be felt during the current year, especially as regards the land and income tax.

I estimate the revenue under the main heads of each of the important Departments at :—

						£
Customs	..	..	..	..	..	5,160,000
Beer duty	..	..	..	..	..	650,000
Railways	..	..	..	..	..	7,200,000
Stamp and death duties	..	..	..	..	..	2,726,000
Post and telegraph	..	..	..	..	..	2,766,000
Land-tax	..	..	..	..	..	1,500,000
Income-tax	..	..	..	..	..	4,100,000
Registration and other fees	..	..	..	..	..	147,000
Marine	..	..	..	..	..	52,000
Miscellaneous	..	..	..	..	..	1,400,000
Territorial	..	..	..	..	..	202,000
National endowment	..	..	..	..	..	105,000
Departmental and other receipts	..	..	..	..	..	242,000
Total						£26,250,000