

ESTIMATED RESULTS.

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The estimated result, therefore, is :—

	£
Revenue	29,600,000
Expenditure	29,024,616

The difference, £575,384, will be required to provide for supplementary estimates and for taxation reductions and concessions now under consideration.

As already stated, it is proposed to transfer up to £1,000,000 from Ordinary Revenue Account to Public Works Fund.

The position of the Ordinary Revenue Account at the close of the year I estimate will be :—

	£	£
Balance forward 1st April, 1925	4,150,806	
Add estimated revenue	29,600,000	
		33,750,806
Deduct,—		
Estimated expenditure	29,024,616	
Supplementary estimates, taxation and other concessions (say)	575,000	
Transfer to Public Works Fund (up to)	1,000,000	
		30,599,616
Estimated credit balance on 31st March, 1926.. .. .		£3,151,190

Conclusion.

CONCLUSION.

The Statement I have made presents to honourable members the satisfactory state of our finances, and particularly so will this be realized when compared with other countries economically affected by the post-war upheaval. It is true that we, in common with the rest of the world, are not back to a pre-war basis either in values or expenditure, but since 1920 the country has made a remarkable recovery in banking and trade. It is reasonable to claim for the Government some share in assisting to bring this about, by adherence to economy in administration while meeting requirements for the further development of our resources so as to increase output, improve markets, and thus stabilize the overseas trade balance. A table is attached to this Statement showing in statistical form the Dominion's progress for the last ten years.

Our exports have increased but so have imports, and for last year the margin is less than for the two previous years. I trust this margin will not further diminish, as the evils of over-importing have been abundantly experienced with unpleasant results in recent years. I do not want to see our trade balance drift back to the adverse conditions obtaining four years ago, when my predecessor had the difficult task of restoring a sound state of affairs.

Since assuming this portfolio, I have had before me heavy demands for increased expenditure, but I propose to adhere to the policy of the late Minister of Finance in checking any tendency to overburden our resources. I will continue to encourage the closest economy and scrutinize carefully all applications for expenditure that do not, in my opinion, come within the Government's necessary requirements for the efficient performance of its services.

Borrowed money adds to our charges, and this is apt to be overlooked in the requests for increased expenditure. The immediate results of capital expenditure are apparent in the development and improvements effected, but a spending-power is created that tends to engender public and private extravagance. We must not ignore the fact that the contingent liability placed on the Consolidated Fund may have to be carried at times when our resources are affected by adverse conditions.

Just one other matter should be mentioned—that of our future requirements for capital expenditure. The prospects of borrowing in London on easy terms in the near future are not good, and it is advisable to look carefully ahead to ensure that the purposes for which we borrow money are directly interest-earning. The present conditions may be temporary, but the indications cannot be disregarded, and I wish to emphasize again the danger of outside borrowing on a large scale while there are signs that the excess of exports over imports is not sufficient to cover our charges for interest payable overseas.