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1927.
NEW ZEALAND.

FINANCIAL STATEMENT.

(In Committee of Supply, 2nd August, 1927.)

BY THE HON. W. DOWNIE STEWART, MINISTER OF FINANCE.

MR. HOCKLY,—

I will commence my review of the public finances of the last financial year by explaining to honourable members the transactions in the Ordinary Revenue Account of the Consolidated Fund, which constitutes our public revenue and expenditure account. Complete details of the transactions are fully set out in parliamentary papers B.-1, Parts I and II; but many find the accounts too complex, and others arrive at conclusions that are more or less erroneous. It should be stated here that the accounts must be set out as required by law, and, though it sounds paradoxical, the difficulty of comparing the accounts of recent years is the result of various enactments passed for the purpose of increasing parliamentary control and of introducing commercial methods into business Departments.

REVENUE.

The revenue for the year amounted to £24,943,107, representing an increase of £217,345 over the amount received during the previous financial year. Revenue.

Of the total revenue received last year £16,904,687 was derived from taxation, and the remaining balance of £8,038,420 from interest receipts, sundry revenues and recoveries from different State activities. Of the proceeds of taxation 48 per cent. came from direct taxation (land and income tax and stamp duties) and the remaining 52 per cent. from Customs and beer duties. Taxation receipts.

The receipts from direct taxation show relatively little variation, there being an increase of £19,148 in stamp and death duties, £53,700 in income-tax, and a decrease of £37,592 in land-tax. Under indirect taxation we find a decrease in both headings—viz., Customs £131,302, beer duty £7,745.

Among other items the following increases may be noted: Postal and telegraph receipts, £148,823; interest on railways capital liability, £130,122; and departmental receipts, £57,491.

Including an amount of £142,475 of tire-tax credited direct to Main Highways Account, the total Customs receipts amounted to £8,395,050. This amount was derived from duty on the following classes of imports:— Customs.

	£
Spirits	1,190,991
Tobacco, cigars, cigarettes	1,393,909
Apparel and textiles	1,707,385
Motor-vehicles, tires, and parts	1,079,076
Other goods	2,570,924
Primage	452,765
Total	<u>£8,395,050</u>

The receipts of the Ordinary Revenue Account were £676,907 in excess of the estimate. About £600,000 of this excess was due to Customs, in which it was estimated there would be a substantial falling-off amounting to 8·8 per cent. The imports declined by 9·1 per cent., but Customs receipts showed a decrease of only 1·6 per cent. As to the cause of this unexpected revenue, it seems reasonably certain that it was largely due to the industrial disturbance in England forcing importers to buy more foreign goods, which are subject to higher rates of duty.

An expected fall of approximately £306,000 in the proceeds of direct taxation did not occur; but this was largely offset by the amount received for interest on Public Debt Redemption Fund being approximately £238,000 below expectations, due to the non-recovery of the whole of the interest from the Discharged Soldiers Settlement Account.

EXPENDITURE.

Expenditure.

Turning now to the other side of the account, it is perhaps advisable, in the first place, to draw attention to the fact that, following the practice of the last few years, the expenditure shown in the published accounts is gross, the credits to the various items being brought into the statement on the receipts side. These credits in aid or in reduction, which represent sundry direct recoveries of expenditure, are not included in the revenue, and must accordingly be deducted from the expenditure. In this way we arrive at the total net expenditure chargeable to the year's revenue. The net expenditure last year amounted to £24,355,965, an increase of £785,882 compared with that of the previous year.

PERMANENT APPROPRIATIONS.

Permanent appropriations.

Of this increase £678,017 is under permanent appropriations, as fixed mainly by Acts of Parliament. The following are the principal increases over the expenditure for the previous year:—

	£
Interest	320,995
Debt-reduction	82,772
Subsidies to Railways for losses on branch lines, &c.	84,238
Pensions (other than war).. .. .	94,033
Maintenance of war graves and memorials overseas ..	36,655
Fruit-export guarantee	82,619

Interest.

I would like to explain that of the gross amount paid for interest, £10,594,655, the amount of £3,545,644 was on account of the war debt. This leaves £7,049,011 as gross interest on the ordinary debt, against which direct recoveries from interest-earning accounts amounted to £2,143,861. In addition to this there should also be set off certain amounts included in the revenue, totalling approximately £2,634,000—viz., interest received from the railways shown as a special item (less the amount of subsidy paid on branch lines, &c.); interest chargeable against the Post Office, which is included in the excess of postal and telegraph receipts over working-expenses; and interest earned on the investment of public moneys. Thus the interest burden borne by the taxpayer on account of the ordinary debt amounts to £2,271,150, proving that this debt is productive to the extent of approximately 70 per cent.

Debt repayment.

Under the Funded Debt Agreement and the Repayment of the Public Debt Act, 1925, part of the interest saved on loans redeemed is applied to further reductions of debt. This latter, together with the increase in the debt, covered by the Act referred to, accounts for the increase in the expenditure under this heading.

Railway subsidy.

As regards the additional payment to the Railways for losses on branch lines and isolated sections built to promote settlement and assist the development of the country, this is owing to the previous year's expenditure covering only a period of eleven months, in addition to which the Dunedin Exhibition led to increased traffic in that year on branch lines.

The additional expenditure on pensions is mostly on account of old-age Pensions. and widows' pensions, which must be expected to increase.

The increase shown for maintenance of war graves and memorials overseas is War graves. largely nominal, as in the previous year £32,775 was provided out of vote " Internal Affairs " under annual appropriations for this purpose.

ANNUAL APPROPRIATIONS.

The net expenditure under annual appropriations amounted to £10,091,020. Annual appropriations. an increase over that of the previous year of only £107,865, or 1·08 per cent. The increase in some votes cannot be avoided, but the figures for the last financial year clearly demonstrate that economy and close control of expenditure were exercised throughout the year. The Education vote showed an increase of £99,878, being the normal increase due to growth of population. The cost of naval defence went up by £85,820, the reason being that the previous year's expenditure included the cost of the second cruiser for only part of a year. These and other smaller increases as set out in Table No. 7 attached to this Statement are partly offset by decreases as follows :—

	£
Post and Telegraph working-expenses	63,353
Industries and Commerce	56,592
Electoral Department	91,410

During 1925-26 the Dunedin Exhibition increased the vote for Industries and Commerce, while the last election accounted for the heavy expenditure for electoral purposes in the same year.

SUMMARY OF YEAR'S OPERATIONS.

The transactions for the year resulted in a surplus, viz. :—

Year's operations.

	Revenue.	£	£
Revenue (proper)	24,313,982	
Departmental receipts	576,201	
Recoveries on account of expenditure of previous years	52,924	
		<hr/>	
Income for year	24,943,107

Expenditure.

	£
Permanent appropriations	16,488,004
Less credits-in-reduction	2,223,059
	<hr/>
Annual appropriations	11,885,368
Less credits-in-aid	1,794,348
	<hr/>
	10,091,020
	<hr/>
Net expenditure chargeable to year's income	24,355,965
	<hr/>
Surplus	£587,142
	<hr/>

The following shows the result in the funds of the Ordinary Revenue Account Special items. at the end of the year :—

	£
Balance forward, 1st April, 1926	4,428,092
Add—	
Surplus, 1926-27	587,142
Certain reparation-moneys received from Germany	39,307
Refund from Cheviot Estate Account in respect of securities redeemed in 1925-26	50,400
	<hr/>
	5,104,941

Less—	£	£
Transfers for debt-reduction.. ..	588,868	
Transfer of Bank of New Zealand shares to special account	750,000	
Instalment of purchase price of C long-term mortgage shares in Bank of New Zealand	58,594	
Temporary transfers to other accounts ..	26,000	
Sundry charges and expenses of raising loans ..	13	
		<u>1,423,475</u>
Balance, 31st March, 1927		<u>£3,681,466</u>

The balance was held as follows :—

	£
Cash	1,807,285
Imprests outstanding	180,591
Investments	1,693,590
	<u>£3,681,466</u>

The transfers for debt-reduction and other purposes shown above are not included in the year's expenditure, but represent an appropriation out of the surplus and the balance carried forward from previous years.

Reparations.

The reparation-moneys referred to above, do not represent the whole amount received on account of reparations during the year, which, in fact, totalled £558,466. Of this amount, however, £100,000 was received from the Public Trustee as Liquidator of Ex-enemy property in New Zealand, which sum will later have to be set off against the total that would otherwise be received from Germany. It was decided at the outset to apply all reparations received to the repayment of war debt, and a section was accordingly enacted in the Public Revenues Act, 1926, authorizing such moneys to be credited direct to Loans Redemption Account. The £39,307 referred to above is the amount which came to hand in 1926-27 prior to the coming into operation of this Act.

Bank of New Zealand shares.

The transfer of Bank of New Zealand shares was made in terms of section 8 of the Finance Act, 1926, with the object of collecting all the shares together in one account. It is merely a book entry transferring to the Bank of New Zealand Shares Account the preference B shares purchased in 1923 and 1925 and since held as an investment of the Ordinary Revenue Account. The further amount of £58,594 for Bank of New Zealand shares represents the first instalment on the 234,375 C long-term mortgage shares allotted to the New Zealand Government in terms of section 6 of the Bank of New Zealand Act, 1926.

Balance of Ordinary Revenue Account.

It is often assumed that a large balance at the beginning of a year constitutes a case for reducing taxation, but this balance has been decreasing steadily since 1920, and the balance carried forward on the 1st April, 1927, £3,681,466, after the further depletions which will take place this year for unemployment and other purposes, will leave available only the normal amount required to finance the year's transactions without borrowing on the security of Treasury bills. In view of the fact that the large bulk of the revenue comes in during the last months of the year it was at one time necessary to borrow in anticipation of revenue at an increased cost to the taxpayer. The existence of a liquid balance, so long as it can be maintained, avoids such charges and is undoubtedly more satisfactory finance. When any of this cash is not required in the Ordinary Revenue Account it can always be profitably employed in temporarily financing loan accounts, which postpones borrowing and effects a further saving.

SURPLUS AND TAXATION.

Surplus and taxation.

Sundry statements have appeared in the press of late to the effect that surpluses should not be used for public-works and debt-reduction purposes, but be applied to relief of taxation. The application of the surpluses of good years to public-works and debt-reduction purposes has the effect of keeping down the debt charges, and at times obviates the necessity of increasing taxation.

In regard to transfers to the Public Works Fund, the grand total of which to date amounts to £14,300,000, the fact is that if the surpluses of good years had not been applied to this purpose the annual interest burden to be carried by the taxpayer in bad as well as good years would have been about £700,000 heavier than it is at present. Similarly, if further surplus revenues had not been applied to debt-reduction, this burden would have been further increased by about £250,000, making nearly £1,000,000 in all. Even so it must not be forgotten that direct taxation has been materially reduced since 1920, the total annual value of reductions and remissions being estimated at £3,400,000.

Transfers for public works and debt-reduction.

As fully demonstrated in the last Budget, war-debt charges and war pensions now absorb approximately 30 per cent. of the total receipts from taxation, which is more than the whole of the current receipts from both land-tax and income-tax. When this fact is fully appreciated it will be clear to all that any further substantial reductions in taxation are out of the question until good progress has been made in reducing this dead-weight portion of the debt. It is for this reason that the Government is devoting all available resources to this purpose. The policy of using surpluses for debt-reduction is approved by eminent financial authorities, and is adopted by the British Government, whose taxpayers have a much heavier burden to carry than the people of this Dominion.

War charges.

Finally, it has already been explained that last year's surplus was much greater than was anticipated and largely fortuitous, and to reduce taxation on that account would be tantamount to budgeting for a deficit. It is axiomatic in public finance that each year's transactions must stand alone, and a surplus in one year has no bearing on the results of the next, unless such surplus comes from a permanent increase in revenue. There is no doubt that our high credit in London, of which our last loan is solid proof, is in a large measure due to our constantly recurring surpluses and the appropriation of such moneys to debt-reduction and capital expenditure, the effect of which, as shown above, relieves the general taxpayer probably much more than reductions in rates of taxation.

Last year's surplus.

ECONOMY IN PUBLIC EXPENDITURE.

The policy of economy was strictly pursued throughout the year, and all departmental expenditure was kept under close control, with the result that the actual expenditure under annual votes was £437,667 less than the appropriations.

Economy in public expenditure.

The major portion of expenditure consists of payments under permanent appropriations, governed almost solely by the authorizing Acts of Parliament.

The Government recently set up another committee of departmental officers, who have gone through the estimates for the current year, item by item, and reduced them to a bare minimum consistent with the maintenance of the present services. The committee, after reviewing expenditure over back years, adopted as a guiding principle an average of the expenditure for the last three years and endeavoured to reduce the estimates for this year to that basis.

Details of last year's expenditure have been published in the annual accounts, and will be found in the tables attached to this Statement; but honourable members will perhaps obtain a better perspective of the position if the expenditure is summarized in a more concise form. The following shows in round figures the main services on account of which a net expenditure of £24,356,000 was incurred during 1926-27 :—

Summary of expenditure, 1926-27.

	£	Percentage.
War pensions and debt charges	5,418,000	22·2
Ordinary debt charges	5,593,000	23·0
Post and Telegraph working-expenses ..	2,343,000	9·6
Pensions and superannuation funds ..	1,603,000	6·6
Education	3,095,000	12·7
Health and hospitals	1,137,000	4·7
Defence	1,020,000	4·2
Law and order	597,000	2·4
Railways—Subsidy on branch lines, &c. ..	429,000	1·8
All other purposes	3,121,000	12·8
	<u>£24,356,000</u>	<u>100·0</u>

It must be clearly understood, however, that the percentages of the expenditure do not represent the relative burden on the taxpayer, for, as already indicated, nearly one-third of the revenue consists of earnings or other receipts, which, for this purpose, can be set off against one or other of the various items mentioned above. For instance, the Post and Telegraph working-expenses are more than covered by the earnings of the Department. The actual charges on the taxpayer for 1925–26 were set out in the last Budget, and the relative position has not materially altered since then.

The expenditure on war charges and on social services (pensions, education, and health and hospitals) accounts for nearly half of the year's expenditure, while external defence and internal law and order are necessities which account for a further 6·6 per cent. of the expenditure. The Ordinary Debt charges referred to elsewhere account for a further 23 per cent. of the expenditure. The subsidy to the Railways is part of cost of development, but as an item of expenditure it is due to accountancy changes.

British authority
on reduction of
expenditure.

It may be of interest to quote the following from a British authority on reduction of expenditure and the means of effecting it: "A general reorganization to effect economy can only be gradual. If carried out by a stroke of the pen, it may have the opposite effect of imposing still heavier charges on the State. No good object is attained by sudden and expensive reorganizations; the best way of arriving at efficiency in any department of the State, as well as generally throughout the Service, must be by making progress gradually on certain clear and defined principles towards a better order of things."

In New Zealand the application of well-defined methods of reorganization and improvement is in operation, and the various services are regulated by these methods.

TREASURY BILLS.

Treasury bills.

The resources of the Ordinary Revenue Account proved sufficient to finance the year's transactions, and it was not necessary to issue any Treasury bills in anticipation of revenue.

Treasury bills in anticipation of the 1926 loan, amounting to £250,000, were sold in London at $4\frac{5}{16}$ per cent. discount at the beginning of May, 1926, and were duly redeemed out of the loan receipts.

The £1,400,000 redemption Treasury bills outstanding on the 31st March, 1926, have been paid off with funds derived from a local issue of debentures. There were thus no Treasury bills of any kind outstanding on the 31st March, 1927.

TEMPORARY INVESTMENT OF SURPLUS CASH BALANCES.

Temporary
investment of
surplus cash
balances.

The amendment of the Public Revenues Act last session enabled the cash balance of the Public Account to be kept much more closely invested than had hitherto been possible, with the result that the interest received from such investments for periods ranging from a few weeks to three months amounted to £81,282, or £53,213 in excess of that received in the previous year.

CAPITAL EXPENDITURE ON PUBLIC WORKS.

Capital expenditure
on public works.

The amount expended on capital works during the last financial year out of the Public Works Fund and other accounts concerned totalled £6,667,967, made up as follows:—

	£
Railway-construction—additions and improvements	2,369,912
Telegraphs and telephones	558,041
Hydro-electric supply	1,130,013
Main highways and roads	1,154,967
Irrigation, land and river improvement	278,015
Public buildings, including schools	892,768
Other public works	284,251
	<u>£6,667,967</u>

In total the expenditure is approximately £510,000 less than the previous year. The requirements for railways showed a comparative decrease of £477,000, and telegraphs and telephones a decrease of £374,000, while the expenditure on electric supply increased by £184,000, and on main highways and roads by £175,000. The last-mentioned increase was largely due to additional works undertaken to give relief to unemployed.

Details of the works carried out during the year, and the Government's proposals concerning the prosecution of public works generally, will be given by my colleague the Hon. the Minister of Public Works in his annual Statement.

More than half the expenditure was on account of railways and hydro-electric supply, in which the work is proceeding largely in accordance with definite programmes. Large sums of money have already been sunk in these works, and, as I have stated previously, it is desirable that the construction should be completed as soon as possible in order that the works may become revenue-earning. The current financial year, and the next one or two years, are the peak years of expenditure, after which it should be possible to effect reductions.

Railways and
hydro-electric
works.

Although authority for the purpose was contained in the Appropriation Act, 1926, it was found impracticable to transfer any amount from the Consolidated Fund to the Public Works Fund last year.

PUBLIC DEBT.

The gross public debt on the 31st March, 1927, amounted to £245,850,889, as compared with £238,855,478 twelve months previously—an increase for the year of £6,995,411.

Public debt.

The net increase for 1925–26 amounted to approximately £11,000,000, so that the borrowing for last year represented a decrease of £4,000,000 in comparison with the previous year.

New loans borrowed during the year 1926–27 totalled £9,627,381, of which £6,227,176 was raised in London, while the balance represents the proceeds of local issues taken up by the public and the Post Office.

New loans raised.

A total of £6,878,270 was allocated to the Public Works Fund, the Railways Improvement Authorization Act 1914 Account, the Electric Supply Account, and certain other accounts, which together financed the capital expenditure on public works previously referred to in this Statement.

In addition, £2,400,935 was raised to augment the capital of the State Advances Department, £21,000 was lent to Samoa, a further £100,000 was made available for purchasing land for settlement, while the remaining £227,176 went in charges and expenses of raising loans.

As a set-off against the new loans raised, debt to the amount of £2,631,970 was redeemed during the year. It is sometimes asked what is the use of redeeming debt while we are borrowing more, but the reply is that in so far as reduction of war debt is concerned the result is the substitution of productive for dead-weight debt, which is a very real gain. A large public debt can only be repaid by steady effort over a long period, in which our national Revenue Account and taxation is gradually adjusted to carry the charges. There is no immediate prospect of a cessation of borrowing, and it would be imprudent finance, damaging to our credit in London, and therefore prejudicial to future borrowing, if debt-repayment were not a constant feature of our financial policy.

Debt-reductions.

The reduction of debt during the year was effected as follows:—

	£
Under Repayment of Public Debt Act, 1925 ..	939,231
Under Funded Debt Agreement with Imperial Govern- ment	350,074
Surplus moneys from Ordinary Revenue Account ..	515,158
German reparation-moneys	592,733
Miscellaneous war credits	143,027
From Nauru and Ocean Island Sinking Fund ..	8,300
From Discharged Soldiers Settlement Account ..	50,500
From Discharged Soldiers Settlement Loans Act 1920 Depreciation Fund Account	1,950
From Land for Settlements Account	19,500

From miscellaneous accounts of State Advances	£
Department	18
Cancellation of debenture presented to Government	
by anonymous donor	100
Discount on securities redeemed below par	11,379
Total redemptions for year	<u>£2,631,970</u>

Statutory debt repayment.

The first two items represent the annual statutory debt repayment, the money for which is provided out of Ordinary Revenue Account as a charge against each year's revenue. Repayments of the funded debt to date are set out in Table No. 21 attached to this Statement.

Use of surplus moneys.

Apart from the statutory payments, an amount of £588,868 out of Ordinary Revenue Account was applied in reduction of debt, but this included £73,710 of reparation-moneys credited to that account partly last year and partly towards the close of the previous one, prior to an amendment of the law enabling all such receipts to be thereafter credited direct to Loans Redemption Account. The amount of surplus money used for this purpose was thus £515,158. Of this latter amount £315,000 was part of last year's surplus applied to debt-reduction as soon as it became evident that there was going to be an excess of revenue, while the balance represents part of the previous years' surpluses.

Reduction of war debt.

Of the total reductions for the year, £1,770,467 represented war debt.

It is noteworthy that since 1922 the war debt has been reduced by £8,280,362, or approximately 10 per cent. in five years.

Other reductions of debt.

Discharged soldiers settlement securities purchased and cancelled during 1926-27 amount to £83,210, while redemption of ordinary debt totalled £778,293, being for the most part redemption of loans at maturity, though advantage was taken of sundry good offers from the public to purchase securities below par.

SUMMARY OF DEBT OPERATIONS FOR YEAR.

Debt operations for year.

Debt as at 1st April, 1926	£	238,855,478
Add new loans raised—	£	
Ordinary	7,226,446	
State advances	2,400,935	
	<u>9,627,381</u>	
		248,482,859
Less debt-reductions—		
War debt	1,770,467	
Ordinary	778,293	
Discharged soldiers	83,210	
	<u>2,631,970</u>	
Debt as at 31st March, 1927	<u>£245,850,889</u>	

Allocation of consolidated stock.

As a result of an investigation into the history of the public debt and the earlier conversion operations, the miscellaneous consolidated stock previously shown at the end of the debt table (B.-I, Part III) has now been allocated to the appropriate accounts. Consequent on this allocation, an amount of £19,007 has been transferred from the ordinary debt to the State Advances debt. Allowing for this transfer, the debt stands as follows:—

Classification of debt.

Ordinary	£	132,421,885
War	73,563,181	
State advances	30,191,097	
Discharged soldiers settlement	9,674,726	
	<u>£245,850,889</u>	

The gross debt at the 31st March, 1927, was held as under :—

Domicile of debt.

Where held.	Amount.
	£
New Zealand	109,295,634
Australia	4,042,450
London	132,512,805
	<u>£245,850,889</u>

Gross Annual Charge.

	£	
Interest	10,780,931	Gross annual charges.
Annual sinking funds	7,000	
Repayment of funded debt	367,705	
Public Debt Repayment Account	998,839	
	<u>£12,154,475</u>	

Total gross charge

The old sinking funds capitalized under the Public Debt Redemption Fund amount to £11,225,645. The principal of the fund cannot be drawn upon, but the interest is paid annually to the Consolidated Fund as a contribution towards the payments to be made under the new Act. The Redemption Fund also includes £13,500,000 of surplus moneys on loan to the Discharged Soldiers Settlement Account, while the special sinking funds, which are separate—viz., for Westport Harbour, Electric Supply, and State Advances, &c.—totalled £2,443,540 as at the 31st March last. There is thus a total capital set-off of £27,169,185 against the debt, subject, however, to reduction on account of losses to be written off in terms of the Discharged Soldiers Settlement Acts.

Capital set-off against debt.

Apart from new loans and reductions affecting the total of the debt, securities to the amount of £900,950 were renewed, £180,980 debentures converted to inscribed stock, £118,900 inscribed stock converted to debentures, while other conversions amounted to £80,230. Further debentures and inscribed stock to the value of £1,436,660 were redeemed, in each case by the issue of new securities of an equal face value. Redemption Treasury bills amounting to £1,400,000 fell due and were reissued from time to time, and finally were redeemed by an issue of debentures as previously indicated.

Renewals and conversions, &c.

The loans falling due in London, Australia, and New Zealand respectively during the next seven years are set out in Table No. 20 attached to this Statement. Practically the whole of the loans maturing during the current year are held in New Zealand.

Loans falling due.

FREE-OF-INCOME-TAX SECURITIES.

The conversion scheme inaugurated in September, 1922, by which the public were afforded an opportunity of converting free-of-tax securities into inscribed stock (not free of tax) has been availed of to the extent of £3,157,570. This sum, together with renewals not free of tax and redemptions from time to time amounting to £10,849,236, has accounted for a total reduction of £14,006,806, leaving the tax-free securities outstanding at the 31st March, 1927, at £37,726,599.

Free-of-income-tax securities.

DEATH-DUTY STOCK.

To suit the convenience of the public special death-duty stock, which is accepted at par in payment of death duties, has been issued from time to time. Issues during the year amounted to £86,250. Up to the 31st March, 1927, a total of £744,270 had been presented in payment of duties, and at the request of the holders death-duty stock to the value of £243,810 had been converted into ordinary stock. The amount outstanding on the 31st March last was £1,117,520.

Death-duty stock.

LONDON LOAN, 1927.

London loan, 1927.

To provide the necessary funds to enable the public-works programme to be proceeded with during the current year, a £6,000,000 loan, issued on the 2nd May, at £99 10s., and bearing interest at 5 per cent., was successfully floated in London. The loan was oversubscribed, and this, in conjunction with the terms of issue, which were better than those of any other similar issue this year, is a striking proof of our credit in London. The yield to investors, including redemption of the discount over the period of the loan, is £5 0s. 10d., while the cost, including redemption of discount and expenses, is £5 4s. 7d. per cent. per annum.

In terms of the prospectus, the proceeds of the loan will be expended on the following purposes :—

Construction of and additions to railways and rolling-stock	£
Development of hydro-electric-power works	3,000,000
Telephones and telegraph extensions	900,000
Other public works	750,000
	1,350,000
	<u>£6,000,000</u>

STATE ADVANCES OFFICE.

State Advances Office.

New loans granted during the year amounted to £3,665,175, and the amount paid over in respect of these and other loans previously granted totalled £6,185,970.

Since the inception of the Department £57,159,209 has been advanced to borrowers, £22,324,608 of which has been repaid, leaving a balance of £34,834,601 outstanding at the close of the last financial year.

During the four years ended 31st March, 1927, the total advances paid over by the Department amounted to £23,899,939. The loans were fairly evenly divided between town and country, advances on urban and suburban securities amounting to £12,096,502, and on rural securities to £11,803,437.

Housing.

These advances include £10,621,491 for erection and purchase of houses, of which £7,961,698 were advanced to workers, and £197,245 advanced to local authorities for erection of workers' dwellings. This indicates the extent of the State's assistance towards overcoming the housing shortage.

Rural advances.

A Rural Advances Act was passed last session, and it is hoped that this Act will provide the machinery for directing the flow of private investment back to farm mortgages. The investor, however, will not be asked to invest directly in a mortgage, but to buy bonds secured on all mortgages for the time being held by the Rural Advances Branch of the State Advances Department, which is charged with the administration of the new Act, subject to the supervision of the Treasury in so far as the bond issues are concerned. In this way the investor will obtain liquid stock-exchange securities which can be readily sold at any time. Further, as the mortgagor repays the advance on a table mortgage the margin of security behind the collective mortgages on which the bonds are secured will steadily increase. The farmer borrower, moreover, has the right to pay off his mortgage at any time at par by presenting for cancellation bonds purchased on the market.

The new Rural Advances Branch commenced operations on the 1st April last. The special features of this branch are that it allows advances up to £5,500 instead of £3,500 as in the case of the Settlers Branch, and, as the bonds are secured on the first mortgages and not on the State revenues, it avoids increasing the public debt for a purpose that is really purely commercial. Up to the 18th July last, 157 loans, amounting to £387,965, have been authorized.

INTERMEDIATE CREDIT.

Intermediate credit.

In the recess the Government have further considered such of the recommendations of the Royal Commission as could not be dealt with last year. The proposals with regard to intermediate credit will form the basis of a Bill to be submitted to Parliament during this session,

DISCHARGED SOLDIERS' SETTLEMENT.

This great work is now virtually completed, and the extension of operations during the last financial year was relatively small. Apart from badly wounded or T.B. men who have previously not been able to take advantage of the facilities offered, the new business has been confined to advances on Current Account for the development of farms and the stocking of the same.

Discharged soldiers' settlement.

The balance outstanding on Current Account at the close of the year was £2,801,152, additional loans approved during the period amounting to £92,367. Progress is now being made in the direction of converting advances on Current Account to table mortgages.

Owing to the losses which have been incurred the revenue receipts for the year were insufficient to provide for the payment of the full amount of interest due to the Consolidated Fund. There has been some criticism as to the non-payment of this interest, in view of the fact that the Discharged Soldiers Settlement Account appeared to be in credit. Of the total sum due, the Consolidated Fund received £362,721, but further payments could not be made as the balance of the account consists of capital repayments not available for interest purposes.

Legislation will be introduced this session to provide for writing off accumulated losses and also reductions in values recommended by the Revaluation Board under the provisions of the Discharged Soldiers Settlement Amendment Acts, 1923 and 1924.

LOCAL GOVERNMENT LOANS BOARD.

Since 1921 the loan indebtedness of local authorities has nearly doubled, and at the 31st March, 1926, amounted to £60,194,911, which is equal to £42 15s. per head of the population. Some measure of control was deemed necessary, and accordingly the Local Government Loans Board Act was passed last year, coming into operation on the 1st April last.

Local Government Loans Board.

In pursuance of the Act a representative Board has been appointed, and has taken up the duty of investigating the loan proposals brought forward by the local authorities. It is the function of the Board in the first instance to determine whether the work for which a loan is proposed will justify recourse to borrowing. The question of adequate sinking funds has also to be arranged. Generally speaking, the sinking fund should be fixed at a rate sufficient to pay off the loan within the estimated "life" of the asset created. Finally, the Board must take into consideration the capacity of the ratepayers to meet the additional loan charges.

STATE COMMERCIAL ENTERPRISES.

It is satisfactory to report that the State Departments run on commercial lines have in the main experienced a successful year in 1926-27.

State commercial enterprises.

The steady progress of the Government Life Insurance Department was well maintained during the year, and the total business now in force comprises 65,396 policies, assuring £20,218,404, including bonuses. The triennial investigation of the Department's liabilities as at the 31st December last resulted in a surplus which allowed reversionary bonuses to be allotted to the extent of £664,400, being the largest division of profits in the history of the Department.

Government Life Insurance Department.

The State Fire Insurance Office had a most successful year. The income received, £233,545, was a record for the Office; and although very much heavier losses were incurred, and the rate of bonus rebate was increased from 10 per cent. to 12½ per cent., the year's operations resulted in a profit of £51,237. The Accident Department showed excellent increases in the premiums and interest received. The surplus for the year was £14,332, as against £8,390 for the previous year.

State Fire Insurance Office.

I have already referred to the operations of the State Advances Department, the satisfactory working of which is well known.

I refer next to the Public Trust Office. The value of estates and funds under the administration of this office on the 31st March last totalled £41,043,523, a net increase for the year of £3,034,043. In the last ten years the net increase

Public Trust Office.

has been £26,000,000. The net profits for the year were £32,650; and following upon the increase in the rates of interest granted last year on money invested in the Common Fund, and the reductions in commission and charges, this result is very satisfactory.

Native Trust Office.

The operations of the Native Trust Office are on a much smaller scale, and activities during the year were somewhat restricted owing to the dearth of funds, but nevertheless a small profit was shown on the year's working.

State coal-mines.

The output of coal from the State coal-mines for 1926 was 179,147 tons, an increase of 47,982 tons compared with the previous year. The financial accounts disclose a profit for the year.

These commercial Departments are not run with the idea of amassing large profits, but, with the exception of the State Coal-mines and the Native Trust Office, whose profits must be used to build up reserves, they are all required to pay income-tax in the usual way.

Post Office and Railways.

In addition to the Departments I have mentioned, there are also the big State services of the Post Office and the Railways. The Post Office closed the year with a small profit, but the Railway Department was not quite so successful, a relatively small loss being shown on the year's working, ascribed to a decline in passenger receipts resulting from the increase in the number of private motor-cars and the keen motor-bus competition in suburban areas.

UNEMPLOYMENT.

Unemployment.

The unemployment difficulty is a matter receiving urgent attention, and in order to help the situation, State departments, by accelerating their programmes, have absorbed large numbers of additional men. I am pleased to say that local authorities and citizens generally are also taking active steps to assist in coping with the situation. The first Act passed this session was the Local Authorities Empowering (Relief of Unemployment) Extension Act, 1927, which extended the operation of the principal Act passed last session until the 30th June, 1928. The object of this legislation is to enable local authorities to raise loans for relief works without taking a poll of the ratepayers. Apart from the publicity which is required by the Act to be given to the proposal to raise any such loan, the interests of the ratepayers are protected by the fact that all loans must be approved by the Local Government Loans Board in the usual way.

Subsidies to local authorities.

To assist local authorities in this matter the Government have since decided to pay a subsidy to local bodies equal to half the expenditure on wages, based on the rates of 9s. per day for single men and 12s. for married men, provided the labour cost of the relief work constitutes at least 60 per cent. of the total cost of the job and the work is of a capital nature. Expenditure for this purpose up to a total amount of £150,000 is authorized by a section in the Imprest Supply Act, 1927. It is intended to pay these subsidies out of last year's surplus, part of which was carried forward expressly for the purpose of meeting such contingencies.

Subsidies on voluntary contributions.

In addition to these measures, the Government have also undertaken to subsidize on a pound-for-pound basis all voluntary contributions for relief of the unemployed, provided the money is expended on works which are approved and duly carried out in accordance with conditions laid down by the Public Works Department.

RECOMMENDATIONS OF TAXATION COMMISSIONS.

Recommendations of Taxation Commissions.

In view of the discussions in the press from time to time, I would like to review the recommendations concerning land and income tax, which were considered by a Committee in 1922, and again by a Royal Commission in 1924. Although it is often stated that the reports of these Commissions have not been considered or dealt with by the Government, an examination of the statute-books will show that most of their recommendations have been adopted. For instance, the 1922 Committee recommended that the maximum rate of income-tax should not exceed 5s. in the pound. In 1922 the maximum income-tax was 7s. 4d. in the pound. It has since been reduced to 4s. 6d. in the pound. They recommended that provision be made for the carrying-forward of losses and the setting-off of loss in one business

Recommendations of 1922 Committee.

against profit in another; that interest from debentures be taxed on the same basis as other income; and that super tax on land be abolished. Effect has been given to all these recommendations.

The Committee further recommended that all Government and public-body undertakings be taxed. The purely commercial Departments of State are now required to pay income-tax, but the principle has not yet been extended to local-body undertakings.

A suggestion was made that the possibilities of a sales and turnover tax should be considered in place of some of our present taxation, but I am satisfied that such a tax would not be as equitable as the present tax on income. In any case, in my opinion, such a tax being both on luxuries and necessities must hit the poor (who have a smaller margin beyond necessary expenditure) more heavily than the rich.

Another recommendation was to the effect that land-tax should be levied at a flat rate; but it is considered desirable to retain the graduated rate as being more equitable and discouraging aggregation of land.

The 1924 Commission recommended that data be obtained relative to an important change in the basis of company taxation. This information has now been obtained and examined, and it appears that a complete change would involve a loss of revenue of about £1,000,000 per annum. For fiscal reasons, therefore, apart from other considerations, the proposal cannot be entertained at present.

Our income-tax is one of the most liberal in the world in regard to the rate of tax and the exemptions granted for children, life insurance, and other deductions. But the effect of our increases during the war and various subsequent decreases since 1921 has been to upset seriously the fairness of the graduation. Some incomes are actually paying less now than they did before the war, while other classes pay considerably more than pre-war. This anomaly was pointed out by the Tax Commission of 1924, and they recommended that it should be remedied. It is obvious that before any start can be made towards reducing taxation the scale of income-tax should be restored to a proper graduation, otherwise the schedule will become still more full of anomalies. For the convenience of honourable members I have printed as an appendix (Table No. 25) a comparative table showing the scale of income-tax in various countries, which makes abundantly clear that our scale is a great deal lower than in the other states and countries shown in the list. I hope this year to effect some improvement in the graduation with a view to remedying the anomalies mentioned, so that when a reduction is feasible it can be made on an equitable and scientific basis.

Sales and turnover tax.

Flat rate for land-tax.

Recommendations of 1924 Commission.

Company taxation.

Income-tax generally.

1927-28.

I have now placed before honourable members the position as regards the past year's operations, and outlined the steps taken to effect economy, together with brief comments in regard to expenditure, debt, and taxation. If I hesitated last year to consider reductions in taxation, it will be admitted that the present conditions are still less favourable and do not permit of reductions in the current year. The Government have already set aside large sums to assist unemployment, which I trust will diminish to a considerable extent as the year advances. It is necessary, however, to make provision to meet a situation that may not take a favourable turn when additional seasonal work becomes available. The estimates I am giving here are based on the position as it appears at present.

Summary of financial position.

I have referred to the policy of debt-reduction, and I regret, for reasons already given, that very little beyond the statutory appropriations is likely to be available for this important purpose during the current year.

I propose to ask for authority to appropriate up to £500,000 for public works should circumstances towards the end of the year permit consideration of any such transfers. As honourable members are aware, the price of local money is inclined to harden; but so long as I can do so, I will not assist that movement by raising the rate for our New Zealand issues. When we fixed the amount of our London loan I anticipated that we could rely on our local loan resources to make

up the balance of the year's requirements. But the indications are that these resources may fall short, so that any assistance from revenue for capital purposes will be of the greatest aid.

ESTIMATED REVENUE.

Estimated revenue.

The difficulties of arriving at a close estimate of revenue under present circumstances will, I think, be appreciated by honourable members. The imports are falling off, which means less Customs revenue. Various adverse factors make it probable that land and income tax receipts may also be affected. I estimate the revenue for the year at £24,676,900, as follows :—

	£
Customs	7,775,000
Beer duty	610,000
Stamp and death duties	3,403,100
Postal and Telegraph	3,254,000
Land-tax	1,205,000
Income-tax	3,425,000
Interest on public moneys	640,000
Interest on railway capital liability	2,180,000
Interest on Public Debt Redemption Fund	870,000
Other receipts	1,314,800
	<u>£24,676,900</u>

ESTIMATED EXPENDITURE.

Estimated expenditure.

The estimates of this year's expenditure as already mentioned have been drastically overhauled by an expert committee of heads of Departments. After final revision by Cabinet I estimate the ordinary expenditure at £24,258,549, being a decrease of £97,416 compared with last year's expenditure.

In addition to the expenditure included in the estimates, however, I have also to make provision for other items, such as unemployment and further Naval expenditure for Singapore Base, the total of which it is estimated will require about £240,000.

ESTIMATED RESULTS.

Estimated results.

Allowing for the additional items just referred to, I estimate the result of the present year's transactions as follows :—

	£
Revenue	24,676,900
Expenditure	24,498,549
	<u>£178,351</u>
Leaving for supplementary estimates	

Conclusion.

The balance thus leaves very little to work upon, and a strict watch will require to be kept on all fresh claims for expenditure if we are to keep our finances on a satisfactory basis. The effects of the revision of the tariff and adjustment of the income-tax schedule are problematical, and will not be known until the end of the year. The general indications are that the Dominion is gradually freeing itself from temporary difficulties and steadily working towards more favourable conditions.

SUMMARY, 1926-27.

Consolidated Fund—						
Ordinary Revenue Account—						£
Revenue	..	..	..	..	..	24,943,107
Expenditure	..	..	..	..	..	24,355,965
Surplus, 1926-27						<u>£587,142</u>
Revenue exceeded estimate by						£ 676,907
Revenue from taxation—						£
Direct (Land and income tax and death duties)						8,030,299
Indirect (Customs and excise)	..	..				8,874,388
						<u>16,904,687</u>
Land and income tax receipts well maintained.						
Comparative decrease in Customs	..	..	..	..		131,302
Increase in postal and telegraph receipts	..	..	..	..		148,823
Compared with previous year total increase in expenditure					..	785,882
Increases in expenditure under permanent appropriations—						
Interest and debt-reduction	..	..				403,767
Pensions (other than war)	..	..	..			94,033
Fruit-export guarantee	..	..	..			82,619
Other	..	..	..	..		97,598
						<u>678,017</u>
Gross interest paid—						
War debt	..	..	..	..		3,545,644
Ordinary debt	..	..	..	..		7,049,011
						<u>10,594,655</u>
Interest burden on taxpayer for ordinary debt	..	..	..	..		2,271,150
War-debt charges and war pensions absorb more than whole of receipts from land and income tax.						
Expenditure under annual appropriations—						
Net expenditure for year	..	..	..	..	..	10,091,020
Increase compared with previous year	..	..	..	..		107,865
Increase under vote "Education"	..	..	..	..		99,878
Additional cost of naval defence	..	..	..	..		85,820
Decrease in postal and telegraph working-expenses	..	..	..	..		63,353
Electoral decrease	..	..	..	..		91,410
Less than appropriations by	..	..	..	..		437,667
Figures demonstrate that economy and close control exercised during the year.						
Balance of Ordinary Revenue Account on 31st March, 1927						.. 3,681,466
Use of surpluses for capital purposes and debt-reduction relieves taxpayer and maintains high credit in London.						
No Treasury bills outstanding on 31st March, 1927.						
Cash balances being kept more closely invested: Increased interest earned						.. 53,213

Capital expenditure on public works—					£	£
Railways	..	..	..	..	2,369,912	
Telegraphs and telephones	..	..	..	..	558,041	
Hydro-electric supply	..	..	..	..	1,130,013	
Main highways and roads	..	..	..	..	1,154,967	
Other	..	..	..	..	1,455,034	
						6,667,967
Gross public debt as at 31st March, 1927					..	£245,850,889
Subdivided—					£	
Ordinary	..	..	..	..	132,421,885	
War	..	..	..	..	73,563,181	
State advances	..	..	..	..	30,191,097	
Discharged soldiers	..	..	..	..	9,674,726	
					£245,850,889	
Public Debt Redemption Fund and accumulated Sinking Funds						
provide capital set off against debt amounting to					..	27,169,185
New loans raised during year—					£	
For public works	..	..	..	..	6,878,270	
For State advances	..	..	..	..	2,400,935	
For other purposes	..	..	..	..	348,176	
						9,627,381
Funds for debt-reduction during year—						
From statutory payments	..	..	..	..	1,289,305	
From surpluses	..	..	..	..	515,158	
From reparations and miscellaneous war credits	..	..	..	..	735,760	
From other sources	..	..	..	..	91,747	
						2,631,970
Debt-reductions during year—						
War debt	..	..	..	..	1,770,467	
Ordinary	..	..	..	..	778,293	
Discharged soldiers	..	..	..	..	83,210	
						2,631,970
Net increase in debt for year					..	6,995,411
War debt reduced by £8,280,362, or 10 per cent., in five years.						
London Loan, 1927—						
£6,000,000 oversubscribed.						
Terms, 5 per cent. at £99 10s.—better than any other similar issue this year.						
Cost, including redemption of discount and expenses, £5 4s. 7d. per cent.						
In terms of prospectus proceeds to be expended on public works.						
State Advances—						
Loans paid over during year	..	..	..	..		6,185,970
Loans paid over in last four years on urban and suburban securities	..	..	..	..	£12,096,502	
On rural securities	..	..	..	..	11,803,437	
						23,899,939
Rural Advances Act—						
Commenced operations on 1st April last.						
Loans authorized to 18th July	..	..	..	..		387,965
Legislation being brought down to organize intermediate credit for farmers.						
Local Government Loans Board—						
Commenced operations on 1st April last.						
State Departments on a commercial basis have in the main experienced a successful year.						

Unemployment—

State Departments absorbed large number of additional men.

Legislation passed enabling local authorities to raise loans for relief works without a poll.

Subsidy on wages and on voluntary contributions for approved relief works.

Contribution provided for Singapore naval base.

Taxation—

Position and recommendations of Taxation Commission reviewed.

Income-tax one of the most liberal in the world in regard to rate of tax and exemptions.

Further substantial reductions not feasible until good progress made in reduction of dead-weight debt.

Change in basis of company taxation cannot at present be considered, as it involves large loss of revenue.

Correction in graduations of income-tax this year so that reduction when feasible can be made on equitable and scientific basis.

Adjustments to be made in Customs tariff.

ESTIMATES FOR 1927-28.

Consolidated Fund—

Ordinary Revenue Account—

						£
Estimated revenue	..	..	..	..	..	24,676,900
Estimated expenditure	..	..	..	..	..	24,498,549

Available for supplementary estimates	£178,351
---------------------------------------	----	----	----	----	----------

						£
Estimated Customs and excise revenue	..	..	..	..	..	8,385,000
Estimated stamp and death duties	..	..	..	..	..	3,403,100
Estimated land and income tax	..	..	..	..	..	4,630,000

Unemployment—
State Department absorbed large number of additional men.
Legislation passed enabling local authorities to raise loans for
relief works without a poll.
Subsidy on wages and on voluntary contributions for approved
relief works.
Contribution provided for Singapore naval base.

Taxation—
Position and recommendations of Taxation Commission reviewed.
Income-tax one of the most liberal in the world in regard to rate
of tax and exemptions.
Further substantial reductions not feasible until good progress
made in reduction of dead-weight debt.
Change in basis of company taxation cannot at present be
contemplated as it involves large loss of revenue.
Extension in duration of income-tax this year so that
relief works can be made more profitable and
advantageous.
Adjustments to be made in Customs tariff.

REVENUE FOR 1931-32.

Consolidated Fund—			
Ordinary Revenue Account—			
Estimated revenue	..	..	24,075,000
Estimated expenditure	..	..	24,408,240
Available for supplementary estimates			
..	..	..	217,331
Estimated Customs and other revenue			
..	..	..	8,385,000
..	..	..	3,403,100
..	..	..	4,030,000
Estimated stamp and death duties			
Estimated land and income tax			

TABLES TO ACCOMPANY THE FOREGOING STATEMENT.

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Table No. 3.

REVENUE FOR THE YEAR ENDED 31ST MARCH, 1927, COMPARED WITH THE YEAR ENDED
31ST MARCH, 1926.

	Year ended 31st March, 1927.	Year ended 31st March, 1926.	Increase.	Decrease.
	£	£	£	£
Customs	8,252,575	8,383,877	..	131,302
Beer duty	621,813	629,558	..	7,745
Stamp and death duties	3,379,016	3,359,868	19,148	..
Postal and telegraph	3,226,558	3,077,735	148,823	..
Land-tax	1,229,067	1,266,659	..	37,592
Income-tax	3,422,216	3,368,516	53,700	..
Registration and other fees	199,144	195,681	3,463	..
Marine	110,834	106,696	4,138	..
Interest on railway capital liability	2,043,433	1,913,311	130,122	..
Interest on public moneys	601,220	605,061	..	3,841
Interest on Public Debt Redemption Fund	863,942	897,756	..	33,814
Local Bodies' Loans Act, 1908, sec. 76	13,939	19,961	..	6,022
Rents of buildings	26,816	23,571	3,245	..
Tourist and Health Resorts	63,102	56,734	6,368	..
Miscellaneous	58,121	48,998	9,123	..
Territorial	202,187	202,429	..	242
Departmental receipts	576,200	518,709	57,491	..
Recoveries on account expenditure of previous years	52,924	50,642	2,282	..
			437,903	220,558
			220,558	
Total revenue	24,943,107	24,725,762	217,345	

Table No. 4.

COMPARATIVE STATEMENT OF THE ESTIMATED AND ACTUAL REVENUE OF THE CONSOLIDATED FUND
(ORDINARY REVENUE ACCOUNT) FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 1927.

	Estimate for 1926-27.	Actual for 1926-27.	Difference.	
			More.	Less.
	£	£	£	£
Customs	7,650,000	8,252,575	602,575	..
Beer duty	630,000	621,813	..	8,187
Stamp and death duties	3,189,250	3,379,016	189,766	..
Postal and telegraph	3,290,000	3,226,558	..	63,442
Land-tax	1,200,000	1,229,067	29,067	..
Income-tax	3,300,000	3,422,216	122,216	..
Registration and other fees	200,000	199,144	..	856
Marine	112,000	110,834	..	1,166
Interest on railway capital liability	2,050,000	2,043,433	..	6,567
Interest on public moneys	600,000	601,220	1,220	..
Interest on Public Debt Redemption Fund	1,102,000	863,942	..	238,058
Local Bodies' Loans Act, 1908, sec. 76	20,000	13,939	..	6,061
Rents of buildings	25,000	26,816	1,816	..
Tourist and Health Resorts	57,250	63,102	5,852	..
Miscellaneous	50,000	58,121	8,121	..
Territorial	205,000	202,187	..	2,813
Departmental receipts	533,700	576,200	42,500	..
Recoveries on account of expenditure of previous years	52,000	52,924	924	..
			1,004,057	327,150
			327,150	
Totals	24,266,200	24,943,107	676,907	

Table No. 5.

ESTIMATED REVENUE of the CONSOLIDATED FUND (Ordinary Revenue Account) for 1927-28, compared with the Actual Revenue received for 1926-27.

	Estimate for 1927-28.	Actual for 1926-27.	Differences.	
			Increase.	Decrease.
ORDINARY REVENUE ACCOUNT.				
	£	£	£	£
Customs	7,775,000	8,252,575	..	477,575
Beer Duty	610,000	621,813	..	11,813
Stamp and Death Duties	3,403,100	3,379,016	24,084	..
Postal and Telegraph	3,254,000	3,226,558	27,442	..
Land-tax	1,205,000	1,229,067	..	24,067
Income-tax	3,425,000	3,422,216	2,784	..
Registration and other Fees	206,000	199,144	6,856	..
Marine	115,800	110,834	4,966	..
Interest on Public Moneys	640,000	601,220	38,780	..
Interest on Railway Capital Liability	2,180,000	2,043,433	136,567	..
Interest on Public Debt Redemption Fund	870,000	863,942	6,058	..
Local Bodies' Loans Act, 1908, Section 76	17,000	13,939	3,061	..
Rents of Buildings	30,000	26,816	3,184	..
Tourist and Health Resorts	62,000	63,102	..	1,102
Miscellaneous	60,000	58,121	1,879	..
Territorial	204,000	202,187	1,813	..
Departmental Receipts	570,000	576,200	..	6,200
Recoveries on account expenditure of previous years	50,000	52,924	..	2,924
			257,474	523,681
				257,474
Totals	24,676,900	24,943,107	..	266,207

Table No. 6.

COMPARATIVE STATEMENT of STAMP and DEATH DUTY REVENUE for 1925-26 and 1926-27.

Item.	1925-26.	1926-27.	Decrease.	Increase.
	£	£	£	£
Adhesive stamps	104,956	92,427	12,529	..
Duty on instruments	604,675	490,527	114,148	..
Death duty (estate and suc- cession duty)	1,433,193	1,644,798	..	211,605
Gift duty	50,996	45,576	5,420	..
Unpressed stamps and com- muted duty on banks' cheques	167,288	181,552	..	14,264
Company licenses	65,948	69,442	..	3,494
Bank-note duty	203,264	201,913	1,351	..
Duties payable by racing clubs	659,642	583,421	76,221	..
Amusements-tax	64,162	63,555	607	..
Native-land rates	215	136	79	..
Penalties	4,967	4,782	185	..
Miscellaneous	562	887	..	325
			210,540	229,688
				210,540
Totals	3,359,868	3,379,016	..	19,148

Table No. 7.

STATEMENT OF THE ACTUAL NET EXPENDITURE OF THE CONSOLIDATED FUND (ORDINARY REVENUE ACCOUNT) FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 1927, COMPARED WITH THE FINANCIAL YEAR ENDED 31ST MARCH, 1926.

	Year ended 31st March, 1927.	Year ended 31st March, 1926.	Increase.	Decrease.
	£	£	£	£
Permanent Appropriations—				
Civil List	31,054	29,084	1,970	..
Interest	8,450,794	8,129,799	320,995	..
Sinking Fund	4,000	7,000	..	3,000
Reduction of Funded Debt	349,609	332,632	16,977	..
Repayment of Public Debt Act, 1925	941,529	872,734	68,795	..
Under special Acts—				
Advances to other Governments	30,000	19,832	10,168	..
Education purposes	115,499	111,389	4,110	..
Endowments	4,154	5,556	..	1,402
Fruit Guarantee Claims	82,619	..	82,619	..
Maintenance of Overseas War Graves and War Memorials	36,655	..	36,655	..
Miscellaneous	100,828	82,754	18,074	..
New Zealand Consolidated Stock—Amount paid to Bank of England for Year ended 31st October, 1926, for management	26,816	24,323	2,493	..
Pensions—				
Old-age	941,348	863,751	77,597	..
Widows'	301,080	285,654	15,426	..
Military	19,446	23,087	..	3,641
War	1,122,741	1,179,552	..	56,811
Miners'	39,465	37,705	1,760	..
Blind	10,304	8,040	2,264	..
Various	24,017	23,390	627	..
Refunds in respect of Totalizator-tax	31,174	9,533	21,641	..
Salaries and honoraria	98,007	97,730	277	..
*Subsidies paid to Hospital Boards	610,498	593,777	16,721	..
Subsidies on rates paid to local authorities	212,018	212,190	..	172
Subsidies to Superannuation Funds and National Provident Fund	189,990	199,129	..	9,139
Territorial revenue	12,232	13,457	..	1,225
Transfer to Discharged Soldiers' Settlement Loans Act, 1920, Depreciation Fund Account	50,000	50,000	..	..
Loan to New Zealand and South Seas Exhibition .. .. .	..	30,000	..	30,000
Railways: Losses on branch lines and isolated sections	429,068	344,830	84,238	..
	14,264,945	13,586,928	788,407	105,390

*Subsidy under Hospital and Charitable Institutions Acts for Jubilee Institute for the Blind is included under Education purposes.

Table No. 7—continued.

STATEMENT OF THE ACTUAL NET EXPENDITURE OF THE CONSOLIDATED FUND (ORDINARY REVENUE ACCOUNT) FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 1927, COMPARED WITH THE FINANCIAL YEAR ENDED 31ST MARCH, 1926—continued.

	Year ended 31st March, 1927.	Year ended 31st March, 1926.	Increase.	Decrease.
Annual Appropriations—	£	£	£	£
Legislative Departments	89,192	88,467	725	..
Prime Minister's Department	2,467	..	2,467	..
Treasury Department	34,586	36,372	..	1,786
Land and Income Tax Department	55,461	65,941	..	10,480
Stamp Duties Department	101,356	90,733	10,623	..
National Provident and Friendly Societies Department	23,789	22,529	1,260	..
Post and Telegraph working expenses	2,343,438	2,406,791	..	63,353
Public buildings	113,244	98,235	15,009	..
Government and other domains	6,859	5,763	1,096	..
Maintenance and repairs to roads	100,211	89,016	11,195	..
Maintenance of irrigation works	8,087	5,031	3,056	..
Native Department	28,404	29,293	..	889
Department of External Affairs	30,982	25,597	5,385	..
Cook Islands	38,056	30,083	7,973	..
Department of Industries and Commerce	48,780	105,372	..	56,592
Department of Justice	135,482	135,777	..	295
Prisons Department	77,851	73,695	4,156	..
Crown Law Office	5,693	4,982	711	..
Police Department	410,506	408,035	2,471	..
Pensions Department	173,204	182,857	..	9,653
Mines Department	44,784	46,697	..	1,913
Department of Internal Affairs	402,854	374,436	28,418	..
Audit Department	25,806	24,240	1,566	..
Public Service Commissioner's Office	7,025	7,862	..	837
Printing and Stationery Department	233,204	236,698	..	3,494
Mental Hospitals Department	275,125	272,204	2,921	..
Department of Health	251,001	264,000	..	12,999
Naval Defence	527,023	441,203	85,820	..
Defence Department	493,274	459,293	33,981	..
Customs Department	170,495	156,374	14,121	..
Marine Department	125,817	122,001	3,816	..
Department of Labour	55,726	49,683	6,043	..
Department of Lands and Survey	169,363	176,887	..	7,524
Scenery Preservation	3,789	20,543	..	16,754
Valuation Department	48,007	51,785	..	3,778
Electoral Department	10,299	101,709	..	91,410
Department of Agriculture	322,070	292,193	29,877	..
Department of Tourist and Health Resorts	76,378	70,794	5,584	..
Department of Education	2,979,597	2,879,719	99,878	..
Scientific and Industrial Research	3,047	..	3,047	..
Services not provided for	27,914	30,265	..	2,351
Emergency Expenditure Account	10,774	..	10,774	..
	10,091,020	9,983,155	391,973	284,108
			1,175,380 389,498	389,498
Total expenditure (permanent and annual appropriations) and	24,355,965	23,570,083	785,882	

Table No. 78.

NET EXPENDITURE.

COMPARATIVE STATEMENT OF THE APPROPRIATED AND ACTUAL EXPENDITURE OF THE CONSOLIDATED FUND (ORDINARY REVENUE ACCOUNT) FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 1927.

	Net Appropriations, 1926-27.	Actual Net Expenditure, 1926-27.	Difference.	
			More.	Less.
Permanent Appropriations—	£	£	£	£
Civil List	30,020	31,054	1,034	..
Interest	8,176,905	8,450,794	273,889	..
Sinking Fund	2,882	4,000	1,118	..
Reduction of funded debt	349,608	349,609	1	..
Repayment of Public Debt Act, 1925	925,492	941,529	16,037	..
Under special Acts.	4,208,852	4,487,959	279,107	..
	13,693,759	14,264,945	571,186	..
Annual Appropriations—				
Legislative Departments	87,818	89,192	1,374	..
Prime Minister's Department	2,890	2,467	..	423
Treasury Department	37,420	34,586	..	2,834
Land and Income Tax Department	57,837	55,461	..	2,376
Stamp Duties Department	99,055	101,356	2,301	..
National Provident and Friendly Societies Department	24,269	23,789	..	480
Post and Telegraph working-expenses	2,506,052	2,343,438	..	162,614
Public buildings	138,217	113,244	..	24,973
Government and other domains	7,488	6,859	..	629
Maintenance and repairs to roads	128,150	100,211	..	27,939
Maintenance of irrigation works, &c.	9,000	8,087	..	913
Native Department	34,795	28,404	..	6,391
Department of External Affairs	39,498	30,982	..	8,516
Cook Islands	43,719	38,056	..	5,663
Department of Industries and Commerce	50,775	48,780	..	1,995
Department of Justice	142,418	135,482	..	6,936
Prisons Department	94,844	77,851	..	16,993
Crown Law Office	6,304	5,693	..	611
Police Department	422,367	410,506	..	11,861
Pensions Department	181,846	173,204	..	8,642
Mines Department	55,977	44,784	..	11,193
Department of Internal Affairs	366,830	402,854	36,024	..
Audit Department	30,574	25,806	..	4,768
Public Service Commissioner's Office	8,586	7,025	..	1,561
Printing and Stationery Department	241,920	233,204	..	8,716
Mental Hospitals Department	331,131	275,125	..	56,009
Department of Health	281,027	251,001	..	30,026
Naval Defence	545,526	527,023	..	18,503
Defence Department	500,865	493,274	..	7,591
Customs Department	173,001	170,495	..	2,506
Marine Department	128,561	125,817	..	2,744
Department of Labour	55,086	55,726	640	..
Department of Lands and Survey	181,649	169,363	..	12,286
Scenery Preservation	12,747	3,789	..	8,958
Valuation Department	55,778	48,007	..	7,771
Electoral Department	6,579	10,299	3,720	..
Department of Agriculture	369,080	322,070	..	47,010
Department of Tourist and Health Resorts	76,870	76,378	..	492
Department of Education	2,986,020	2,979,597	..	6,423
Department of Scientific and Industrial Research	6,115	3,047	..	3,068
Services not provided for .. .. .	..	27,914	27,914	..
Emergency Expenditure Account .. .. .	..	10,774	10,774	..
	10,528,687	10,091,020	82,747	520,414
			653,933	
			520,414	
Total expenditure	24,222,446	24,355,965	133,519	

Table No. 9.

ESTIMATED NET EXPENDITURE of the ORDINARY REVENUE ACCOUNT for 1927-28, compared with Actual Net Expenditure for 1926-27.

	Estimate for 1927-28.	Actual for 1926-27.	Differences.	
			Increase.	Decrease.
REVENUE ACCOUNT.				
Permanent Appropriations,—	£	£	£	£
Civil List	31,170	31,054	116	..
Interest	8,371,202	8,450,794	..	79,592
Sinking Fund	2,882	4,000	..	1,118
Reduction of Funded Debt	367,216	349,609	17,607	..
Debt Repayment	998,839	941,529	57,310	..
Under special Acts	4,396,581	4,487,959	..	91,378
	14,167,890	14,264,945	75,033	172,088
Annual Appropriations,—				
Legislative Departments	79,993	89,192	..	9,199
Prime Minister's Department	12,356	2,467	9,889	..
Treasury Department	36,350	34,586	1,764	..
Land and Income Tax Department	55,218	55,461	..	243
Stamp Duties Department	93,013	101,356	..	8,343
National Provident and Friendly Societies Department	24,563	23,789	774	..
Post and Telegraph Working-expenses.. .. .	2,393,627	2,343,438	50,189	..
Public Buildings	101,000	113,244	..	12,244
Government and other Domains	6,383	6,859	..	476
Maintenance and improvement of Roads	115,650	100,211	15,439	..
Maintenance of Irrigation Works	10,000	8,087	1,913	..
Native Department	30,666	28,404	2,262	..
Department of External Affairs	40,925	30,982	9,943	..
Cook Islands	56,215	38,056	18,159	..
Department of Industries and Commerce	34,910	48,780	..	13,870
Department of Justice	130,110	135,482	..	5,372
Prisons Department	82,383	77,851	4,532	..
Crown Law Office	5,904	5,693	211	..
Police Department	422,113	410,506	11,607	..
Pensions Department	165,946	173,204	..	7,258
Mines Department	34,749	44,784	..	10,035
Department of Internal Affairs	315,463	402,854	..	87,391
Audit Department	29,527	25,806	3,721	..
Public Service Commissioner's Office	6,886	7,025	..	139
Printing and Stationery Department	235,650	233,204	2,446	..
Mental Hospitals Department	281,534	275,125	6,409	..
Department of Health	255,871	251,001	4,870	..
Naval Defence	493,326	527,023	..	33,697
Defence Department.. .. .	464,995	493,274	..	28,279
Customs Department	176,899	170,495	6,404	..
Marine Department	118,650	125,817	..	7,167
Department of Labour	60,452	55,726	4,726	..
Department of Lands and Survey	169,532	169,363	169	..
Scenery Preservation.. .. .	4,800	3,789	1,011	..
Valuation Department	49,421	48,007	1,414	..
Electoral Department	9,730	10,299	..	519
Department of Agriculture	360,086	322,070	38,016	..
Department of Tourist and Health Resorts	76,235	76,378	..	143
Department of Education	3,003,474	2,979,597	23,877	..
Department of Scientific and Industrial Research	46,004	3,047	42,957	..
Services not provided for .. .. .	..	27,914	..	27,914
Emergency Expenditure Account .. .. .	..	10,774	..	10,774
	10,090,659	10,091,020	262,702	263,063
			337,735	435,151
				337,735
Total expenditure	£24,258,549	£24,355,965	..	£97,416

Table No. 10.

STATEMENT SHOWING HOW ACCUMULATED SURPLUSES HAVE BEEN APPLIED.

To Accumulated surpluses	£	By Transfers to—	£
at 31st March, 1926 ..	29,390,926	Discharged Soldiers Settlement Account—	
Surplus for financial year 1926-27	587,142	1920-21	13,330,000
Net miscellaneous receipts credited to Ordinary Revenue Account during 1926-27	50,387	1921-22	170,000
Reparation - moneys received from Germany	39,307		— 13,500,000
		Discharged Soldiers Settlement Depreciation Fund Account—	
		1920-21	50,000
		1921-22	50,000
		1922-23	50,000
		1923-24	50,000
			— 200,000
		Public Works Fund—	
		1920-21	500,000
		1923-24	1,000,000
		1924-25	1,000,000
		1925-26	500,000
			— 3,000,000
		Reserve Fund Securities Account—	
		For purchase of securities, 1920-21	1,200,000
		For redemption of loan, 1922-23	800,000
			— 2,000,000
		Loans redemption—	
		1921-22	560,011
		1922-23	2,337,360
		1923-24	1,367,341
		1924-25	1,052,130
		1925-26	566,161*
		1926-27	588,868†
			— 6,471,871
		Bank of New Zealand Shares Account, 1926-27	808,594
		Education Loans Account, 1923-24	100,000
		Ordinary revenue—	
		To balance revenue and expenditure, 1921-22	279,831
		Investments at 31st March, 1927	1,693,590
		Temporary transfers to other accounts	26,000
		Balance (cash and imprests) at 31st March, 1927	1,987,876
			—
	£30,067,762		£30,067,762

* Includes £151,824 of reparation-moneys received from Germany.

† Includes £73,710 of reparation-

Table No. 11.

STATEMENT of the ESTIMATED LIABILITIES chargeable on the CONSOLIDATED FUND (REVENUE ACCOUNT) outstanding on the 31st MARCH, each Year from 1923 to 1927.

	1923.	1924.	1925.	1926.	1927.
REVENUE ACCOUNT.	£	£	£	£	£
Permanent Appropriations,—					
Civil List	186	185	161	313	337
Under Special Acts of the Legislature	27,710	13,667	15,411	13,435	16,835
Pensions	243	2,756	796	701	1,202
	28,139	16,608	16,368	14,449	18,374
Annual Appropriations,—					
Legislative Departments	439	349	752	1,007	2,751
Departments of Minister of Finance*	3,914	3,744	7,502	11,064	8,226
Working Railways	195,627	263,254	332,985	¶	¶
Post and Telegraph Department	97,079	114,961	104,383	93,919	61,876
Public Buildings, Domains, Maintenance of Roads, and Maintenance of Irrigation Works	14,644	14,364	15,899	17,315	23,301
Justice Department†	14,463	11,498	10,462	19,258	15,155
Mines Department	1,358	868	2,087	2,371	3,698
Internal Affairs Department‡	27,211	29,525	26,186	61,038	76,784
Defence Department§	12,340	28,715	55,459	94,392	41,813
Customs Department	3,937	4,027	4,857	9,198	5,520
Marine Department	752	961	2,200	1,148	2,152
Labour Department	3,123	2,686	1,971	1,840	3,332
Lands Department	9,393	48,830	11,178	35,103	28,137
Agriculture Department|| .. .. .	22,520	22,200	10,414	10,405	33,828
Education Department	3,052	1,897	1,277	2,337	2,302
Valuation and Electoral Departments	409,852	547,879	587,612	360,395	308,875
Services not provided for .. .. .	..	..	..	112	2,652
Refunds of Revenue	3,873	..	37	1,344	5,453
Totals	441,864	564,487	604,017	376,300	335,954

* Includes Treasury, Land and Income Tax, Stamp Duties, and National Provident Fund and Friendly Societies Departments.

† Includes Native, External Affairs, Supreme and Magistrates' Courts, Prisons, Police, Cook Islands, and Crown Law.

‡ Includes Audit, Printing and Stationery, Public Service Commissioner's Office, Mental Hospitals, Pensions, Scenery Preservation (from 1924-25), Health, Prime Minister's, and Scientific and Industrial Research Departments. § Includes Naval Defence.

|| Includes Industries and Commerce and Tourists Departments.

¶ Now a separate account (see Table No. 15).

Table No. 12.

PUBLIC WORKS FUND.

STATEMENT SHOWING THE NET EXPENDITURE UNDER APPROPRIATIONS FOR THE YEAR ENDED 31ST MARCH, 1927, COMPARED WITH THE YEAR ENDED 31ST MARCH, 1926.

Vote.	Year ended 31st March, 1927.	Year ended 31st March, 1926.	Increase.	Decrease.
	£	£	£	£
Public Works, Departmental	115,144	126,475	..	11,031
Railway-construction	1,096,368	1,146,292	..	49,924
Additions to Open Lines	384,439	842,322	..	457,883
Public Buildings—				
General	119,864	29,369	90,495	..
Courthouses	1,261	7,209	..	5,948
Prison Buildings and Works	22,812	24,196	..	1,384
Police-stations	7,411	16,594	..	9,183
Postal and Telegraph	86,052	89,866	..	3,814
Agricultural	4,164	7,932	..	3,768
Mental Hospital Buildings	68,635	77,834	..	9,199
Health and Hospital Institutions	15,840	31,177	..	15,337
Timber-supply and Sawmills, &c. ..	8,512	Cr. 9,893	18,405	..
Acquisition and Operation of Quarries ..	6,302	12,351	..	6,049
Lighthouses	5,758	5,691	67	..
Harbour-works	13,262	3,717	9,545	..
Development of Tourist Resorts	31,981	43,486	..	11,505
Department of Immigration	184,918	107,521	77,397	..
Roads, &c.	575,131	564,694	10,437	..
Roads on Goldfields	2,230	3,934	..	1,704
Telegraph Extension	558,041	931,661	..	373,620
Motor Transport Services .. ..	..	4,994	..	4,994
Contingent Defence	34,014	89,670	..	55,656
Lands, Miscellaneous	56,267	70,493	..	14,226
Irrigation, Water-supply, and Drainage ..	56,937	56,227	710	..
Plant, Material, and Stores	Cr. 24,148	33,453	..	57,601
Transfer to Main Highways Account, Construction Fund	400,000	..	400,000	..
Services not provided for	1,190	1,139	51	..
			607,107	1,092,826
				607,107
Totals	3,832,685	4,318,404	..	485,719

Table No. 13.

STATEMENT showing the Total WAYS and MEANS of the PUBLIC WORKS FUND, GENERAL PURPOSES ACCOUNT, and the Total Net EXPENDITURE to the 31st MARCH, 1927.

WAYS AND MEANS.				£	s.	d.	£	s.	d.
LOANS:—									
Immigration and Public Works Loan, 1870	..	..	..	4,000,000	0	0			
Immigration and Public Works Loan, 1873	..	..	..	2,000,000	0	0			
Immigration and Public Works Loan, 1874	..	..	..	4,000,000	0	0			
General Purposes Loan Act, 1873	..	..	..	750,000	0	0			
New Zealand Loan Act, 1876	..	..	..	750,000	0	0			
New Zealand Loan Act, 1877	..	..	..	2,200,000	0	0			
New Zealand Loan Act, 1879	..	..	..	5,000,000	0	0			
New Zealand Loan Act, 1882	..	..	..	3,000,000	0	0			
New Zealand Colonial Inscribed Stock Loan Act, 1882	..	..	..	250,000	0	0			
North Island Main Trunk Railway Loan Act, 1882	..	..	..	1,000,000	0	0			
New Zealand Loan Act, 1884	..	..	..	1,500,000	0	0			
New Zealand Loan Act, 1886	..	..	..	1,325,000	0	0			
District Railways Purchasing Acts, 1885 and 1886	..	..	..	479,487	7	11			
New Zealand Loan Act, 1888	..	..	..	1,000,000	0	0			
Native Land Purchase Act, 1892	..	..	..	149,700	0	0			
Lands Improvement and Native Lands Acquisition Act, 1894	..	..	..	500,000	0	0			
Aid to Public Works and Land Settlement Act, 1896	..	..	..	1,000,000	0	0			
Aid to Public Works and Land Settlement Amendment Act, 1897	..	..	..	250,000	0	0			
Aid to Public Works and Land Settlement Amendment Act, 1898	..	..	..	500,000	0	0			
Aid to Public Works and Land Settlement Act, 1899	..	..	..	1,000,000	0	0			
Aid to Public Works and Land Settlement Act, 1900	..	..	..	1,011,600	0	0			
Aid to Public Works and Land Settlement Act, 1901	..	..	..	1,250,000	0	0			
Aid to Public Works and Land Settlement Act, 1902	..	..	..	1,750,000	0	0			
Aid to Public Works and Land Settlement Act, 1903	..	..	..	997,690	0	0			
Aid to Public Works and Land Settlement Act, 1904	..	..	..	750,000	0	0			
Aid to Public Works and Land Settlement Act, 1905	..	..	..	1,000,000	0	0			
Aid to Public Works and Land Settlement Act, 1906	..	..	..	989,700	0	0			
Aid to Public Works and Land Settlement Act, 1907	..	..	..	1,000,000	0	0			
Aid to Public Works and Land Settlement Act, 1908	..	..	..	1,250,000	0	0			
Aid to Public Works and Land Settlement Act, 1909	..	..	..	1,000,000	0	0			
Aid to Public Works and Land Settlement Act, 1910	..	..	..	1,750,000	0	0			
Aid to Public Works and Land Settlement Act, 1911	..	..	..	1,500,000	0	0			
Aid to Public Works and Land Settlement Act, 1912	..	..	..	1,748,900	0	0			
Aid to Public Works and Land Settlement Act, 1913	..	..	..	1,750,000	0	0			
Aid to Public Works and Land Settlement Act, 1914	..	..	..	3,000,000	0	0			
Aid to Public Works and Land Settlement Act, 1921	..	..	..	5,061,081	18	2			
Aid to Public Works and Land Settlement Act, 1922	..	..	..	4,408,904	7	6			
Finance Act, 1909	..	..	..	1,250,000	0	0			
Finance Act, 1915, and New Zealand Loans Act, 1915	..	..	..	2,000,000	0	0			
Finance Act, 1916	..	..	..	1,000,000	0	0			
Finance Act, 1917	..	..	..	850,000	0	0			
Finance Act, 1918 (No. 2)	..	..	..	2,500,000	0	0			
Finance Act, 1919, Section 5	..	..	..	750,000	0	0			
Finance Act, 1920, Section 15	..	..	..	2,500,000	0	0			
Finance Act, 1921, Section 10	..	..	..	2,673,111	10	11			
Finance Act, 1923, Section 2	..	..	..	4,306,626	17	7			
Finance Act, 1924, Section 2	..	..	..	2,065,893	1	11			
Finance Act, 1925, Section 2	..	..	..	4,152,990	12	0			
Post and Telegraph Act, 1908	..	..	..	200,000	0	0			
Midland Railway Petitions Settlement Acts, 1902 and 1903	..	..	..	150,000	0	0			
Paeroa-Waihi Railway Act, 1903	..	..	..	75,000	0	0			
Waikaka Branch Railway Act, 1905	..	..	..	50,000	0	0			
Wellington and Manawatu Railway Purchase Act, 1908	..	..	..	1,000,000	0	0			
Appropriation Act, 1912	..	..	..	15,000	0	0			
Irrigation and Water-supply Act, 1913	..	..	..	100,000	0	0			
							86,510,685	16	0
RECEIPTS IN AID:—									
Amount transferred from Consolidated Fund	..	..	..	14,305,000	0	0			
Contributions of Canterbury Province for Railways	..	..	..	56,000	0	0			
Proceeds of Railway Material handed over to Cook County Council	..	..	..	4,963	7	4			
Stamp Duties to 31st December, 1876	..	..	..	264,657	16	4			
Transfer from Confiscated Lands Liabilities Account	..	..	..	19,963	1	3			
Receipts under Section 16 of the Reserves and other Lands Disposal and Public Bodies Empowering Act, 1912	..	..	..	21,890	4	5			
Special Receipts under Section 9 of the Railways Construction Act, 1878	..	..	..	60,616	3	0			
Special Receipts under the Ellesmere Lake Lands Acts, 1888 and 1893	..	..	..	63,064	7	8			
Special Receipts under the Railways Authorization and Management Act, 1891	..	..	..	2,257	1	9			
Special Receipts under the North Island Main Trunk Railway Loan Application Act, 1886	..	..	..	114,550	19	6			
Sinking Funds released	..	..	..	506,819	19	3			
							15,419,783	0	6
							<u>£101,930,468</u>	<u>16</u>	<u>6</u>

Table No. 13—continued.

STATEMENT showing the Total WAYS and MEANS of the PUBLIC WORKS FUND, GENERAL PURPOSES ACCOUNT, and the Total Net EXPENDITURE to the 31st MARCH, 1927—continued.

NET EXPENDITURE.						£	s.	d.	£	s.	d.
Expenditure on—											
Immigration .. .. .	..	..	..	..	..	3,117,408	19	7			
Public Works, Departmental .. .. .	..	..	..	..	..	2,372,940	13	4			
Railways, including Surveys of New Lines and payment to Midland Railway Bondholders.. .. .	..	..	..	..	..	49,966,279	5	9			
Roads .. .. .	..	..	..	..	..	16,261,228	17	10			
Land-purchases .. .. .	..	..	..	..	..	2,061,203	11	6			
Development of Mining .. .. .	..	..	..	..	..	882,975	0	11			
Telegraph Extension .. .. .	..	..	..	..	..	8,666,407	6	1			
Public Buildings .. .. .	..	..	..	..	..	9,920,286	9	1			
Lighthouses, Harbour Works and Defences .. .. .	..	..	..	..	..	1,225,508	12	1			
Contingent Defence .. .. .	..	..	..	..	..	1,241,395	2	10			
Rates on Native Lands .. .. .	..	..	..	..	..	68,671	16	10			
Thermal Springs .. .. .	..	..	..	..	..	14,599	13	2			
Development of Tourist Resorts .. .. .	..	..	..	..	..	424,608	6	4			
Lands Improvement .. .. .	..	..	..	..	..	356,282	15	1			
Plant, Material, and Stores .. .. .	..	..	..	..	..	358,490	19	10			
Charges and Expenses of raising Loans .. .. .	..	..	..	..	..	2,496,326	11	5			
Coal-mines .. .. .	..	..	..	..	..	10,835	8	0			
Interest and Sinking Fund .. .. .	..	..	..	..	..	218,500	0	0			
Irrigation and Water-supply .. .. .	..	..	..	..	..	734,344	14	0			
Timber Supply, Sawmills, &c. .. .. .	..	..	..	..	..	12,683	18	1			
Acquisition and operation of quarries .. .. .	..	..	..	..	..	20,468	9	11			
Motor Transport Service .. .. .	..	..	..	..	..	33,635	5	3			
Transfer to Main Highways Account, Construction Fund .. .. .	..	..	..	..	..	626,000	0	0			
Balance on 31st March, 1927,—									101,091,081	16	11
Cash in the Public Account .. .. .	..	..	..	..	..	222,820	4	10			
Imprests outstanding .. .. .	..	..	..	..	..	71,566	14	9			
Investments .. .. .	..	..	..	..	..	545,000	0	0			
									839,386	19	7
									£101,930,468	16	6

Table No. 14.

STATEMENT of the ESTIMATED LIABILITIES chargeable on the PUBLIC WORKS FUND (GENERAL PURPOSES ACCOUNT), outstanding on the 31st MARCH each Year from 1923 to 1927.

	1923.	1924.	1925.	1926.	1927.
Annual Appropriations—	£	£	£	£	£
Public Works, Departmental	513	503	1,033	1,768	2,198
Railways	261,910	269,090	455,534	99,592	122,980
Irrigation and Water-supply	3,512	11,257	6,257	2,406	3,478
Public Buildings	93,346	18,752	19,571	19,521	20,880
Timber-supply, &c.	141	865	557	81	1,367
Acquisition and Operation of Quarries .. .. .	..	..	3,228	2,011	1,053
Lighthouses, Harbour-works, and Harbour-defences	3,918	91	74	591	861
Development of Tourist Resorts	493	776	1,137	6,697	992
Immigration .. .. .	..	..	..	33,179	20,238
Roads	257,731	142,565	48,734	54,859	74,969
Development of Mining .. .. .	..	..	..	..	..
Telegraph Extension	360,027	488,989	539,812	214,007	211,700
Contingent Defence .. .. .	..	..	..	..	..
Lands, Miscellaneous	1,202	1,166	1,819	3,621	1,595
Plant, Material, and Stores	16,136	5,638	2,947	4,292	2,610
Totals	998,929	939,692	1,080,703	442,625	464,911

Table No. 15.

STATEMENT of the ESTIMATED LIABILITIES chargeable on the undermentioned SEPARATE ACCOUNTS outstanding on the 31st March each Year from 1923 to 1927.

	1923.	1924.	1925.	1926.	1927.
	£	£	£	£	£
Cheviot Estate Account	393	..	..	..	..
Deteriorated Lands Account .. .. .	..	..	..	117	839
Education Loans Account	144	9,274	2,774	2,214	3,962
Deposits Account (Education Reserves Amendment Act, 1914)	583	..	222	3	..
Electric Supply Account	344,075	37,734	75,743	87,856	141,064
Government Accident Insurance Account	322	289	14	956	345
Government Life Insurance Account	2,011	1,214	2,849	1,142	1,269
Hauraki Plains Settlement Account	4,079	2,741	2,099	1,808	4,836
Kauri-gum Industry Account .. .. .	..	45	65	441	..
Land for Settlements Account	5	49	1,096	1,143	870
Land for Settlements Account (Discharged Soldiers Settlement Account)	826	136	456	238	74
Land for Settlements Account (Opening up Crown Lands for Settlement Account)	83	47	20	2,799	..
Main Highways Account—					
Revenue Fund .. .. .	..	3	15,047	73,703	64,276
Construction Fund .. .. .	..	..	17,328	81,847	124,746
National Endowment Account	187	..	1,113	1,005	..
Native Land Settlement Account	1,880	1,611	1,008	542	4,045
Native Trustee's Account	268	61	20	57	39
Nauru and Ocean Islands Account	515	..	..	..	..
Public Service Superannuation Fund Account	364	389	345	23	157
Public Trust Office Account .. .. .	..	..	..	..	5,032
Railways Improvement Authorization Act 1914 Account ..	16,603	22,529	45,992	42,083	50,524
Rangitaiki Land Drainage Account	956	594	2,621	448	970
Scenery Preservation Account*	28	..	..	..	..
State Advances Account	2,636	4,502	2,648	2,699	4,268
State Coal-mines Account	14,540	10,631	6,302	4,930	21,130
State Fire Insurance Account .. .. .	..	15	503	202	59
State Forests Account	4,032	3,240	3,152	13,455	11,342
Swamp Land Drainage Account	3,409	3,233	864	1,174	3,471
Waihou and Ohinemuri Rivers Improvement Account ..	11,004	1,522	2,496	2,954	6,403
War Expenses Account	579,976	182,409	..	..	..
Westport Harbour Account	498	526	464	612	4,621
Working Railways Account.† .. .. .	..	..	..	309,278	329,829

* Now a vote under Consolidated Fund.

† Formerly vote under Consolidated Fund.

Table No. 16.

RECEIPTS AND PAYMENTS OF ACCOUNTS, 1926-27, WITH BALANCES AT 1ST APRIL, 1926, AND 31ST MARCH, 1927.

Account.	Balance, 1st April, 1926.	Receipts (net).	Credits in Reduction.	Net Expenditure.	Balance, 31st March, 1927.	
					In Cash.	In Investments.
Consolidated Fund—	£	£	£	£	£	£
Ordinary Revenue	4,428,092	25,032,814	4,017,407	25,779,440	1,987,877	1,693,589
Nauru and Ocean Islands	3,126	36,481	..	36,356	51	3,200
Nauru and Ocean Islands Sinking Fund ..	19	8,445	..	8,300	164	..
Accounts of Local Bodies	10,464	23,383	..	24,274	9,573	..
Deposits	353,620	1,452,104	..	1,451,158	40,366	314,200
Public Works Fund—						
General Purposes	526,421	4,901,544	709,889	4,588,578	294,387	545,000
Waihou and Ohinemuri Rivers Improve- ment	21,710	49,235	2,819	69,278	1,667	..
Electric Supply	138,112	1,764,368	28,362	1,628,290	124,190	150,000
Electric Supply Sinking Fund	17,391	21,272	..	..	23	38,640
Advances to other Governments	31,512	290,320	..	272,195	49,637	..
Bank of New Zealand Acts	875,000	..	..	875,000	..	..
Bank of New Zealand Shares .. ..	..	1,896,070	..	212,476	..	1,683,594
Cheviot Estate	204,907	25,381	..	57,630	12,878	159,780
Conversion .. .. .	..	31	..	..	31	..
Deteriorated Lands	1,728	10,000	..	7,006	4,722	..
Discharged Soldiers Settlement	126,273	1,646,787	9,926	1,073,790	231,886	467,384
Discharged Soldiers Settlement Act, 1920, Depreciation Fund	295,047	62,879	..	1,959	59,317	296,650
Education Loans	40,155	566,960	4,298	550,953	33,892	22,270
General Purposes Relief	21,314	7,434	..	2,785	5,963	20,000
Hauraki Plains Settlement	33,506	28,802	7,006	49,949	12,359	..
Howard Estate .. .. .	..	240	..	240	..	..
Hunter Soldiers' Assistance Trust	3,084	778	..	128	684	3,050
Hutt Valley Lands Settlement .. ..	..	32,171	..	5,000	27,171	..
Kauri-gum Industry	3,442	6,916	193	7,993	2,365	..
Land Assurance Fund	80,759	3,298	..	3,005	4,652	76,400
Lands for Settlements	133,168	588,684	13,293	558,399	22,353	141,100
Lands for Settlements (Discharged Soldiers Settlement)	71,273	76,837	1,009	29,836	23,274	95,000
Lands for Settlements (Opening-up Crown lands for Settlement)	6,602	15,172	1,255	12,714	9,060	..
Loans Redemption	18,509	7,061,929	..	7,080,199	239	..
Main Highways—Revenue Fund	654,609	656,015	22,061	557,685	100,039	652,900
Main Highways—Construction Fund	120,104	500,104	54,921	549,649	65,559	5,000
Mining Advances	12,646	6,303	..	5,337	6,612	7,000
National Endowment	126,493	155,098	..	152,279	43,212	86,100
National Endowment Trust	20,206	5,039	..	106	5,449	19,690
Native Land Settlement	104,331	127,617	567	117,551	21,897	92,500
Public Debt Repayment	2,096	941,529	..	939,230	4,395	..
Railways Improvement Authorization Act, 1914	280,662	1,082,733	197,167	960,740	27,405	375,250
Rangitaiki Land Drainage	24,184	1,478	3,351	10,823	4,839	10,000
Reserve Fund	2,000,000	..	..	..	..	2,000,000
Samoan Loan Suspense .. .. .	..	21,000	..	21,000	..	..
State Advances Loan	2,292,689	2,401,775	..	4,692,083	2,241	140
State Coal-mines	18,572	302,040	1,469	286,908	9,404	24,300
State Coal-mines Sinking Fund	48,199	6,906	..	..	4,565	50,540
State Forests	127,861	132,384	1,380	236,605	3,640	20,000
Swamp Land Drainage	12,502	41,345	417	49,459	4,388	..
Westport Harbour	70,021	63,621	70	51,835	15,807	66,000
Working Railways	798,150	8,237,478	982,016	8,171,114	364,514	500,000
Public Account Cash Balance Investment..	..	..	..	..	Cr. 1,100,000	1,100,000
Totals	14,158,559	60,292,800	6,058,876	61,189,335	2,542,747	10,719,277

Table No. 17.

STATEMENT SHOWING THE AVAILABLE FINANCIAL RESOURCES OF THE VARIOUS PUBLIC ACCOUNTS
ON THE 31ST MARCH, 1926, AS COMPARED WITH THE 31ST MARCH, 1927.

Account.	1926.			1927.		
	Balance on 31st March, 1926.	Liabilities on 31st March, 1926.	Unexhausted Authority for raising Loan on 1st April, 1926.	Balance on 31st March, 1927.	Liabilities on 31st March, 1927.	Unexhausted Authority for raising Loan on 1st April, 1927.
Consolidated Fund—	£	£	£	£	£	£
Ordinary Revenue	4,428,092	376,300	..	3,681,466	335,354	..
Nauru and Ocean Islands	3,126	..	..	3,251	..	..
Nauru and Ocean Islands Sinking Fund ..	19	..	..	164	..	..
Public Works Fund—						
General Purposes	526,421	442,625	4,061,050	839,387	464,911	5,061,050
Waihou and Ohinemuri Rivers Im- provement	21,710	2,954	95,000	1,667	6,403	175,000
Electric Supply	138,112	87,856	5,676,990	274,190	141,064	4,478,990
Electric Supply Sinking Fund	17,391	..	..	38,663	..	..
Advances to other Governments	31,512	..	..	49,637	..	..
Bank of New Zealand Acts	875,000	..	..	..	..	..
Bank of New Zealand Shares .. ..	..	..	..	1,683,594	..	..
Cheviot Estate	204,906	..	..	172,658	..	..
Conversion .. ..	..	..	..	31	..	..
Deteriorated Lands	1,728	117	98,000	4,722	839	288,000
Discharged Soldiers Settlement	126,274	..	862,750	699,270	..	862,750
Discharged Soldiers Settlement Loans Act 1920 Depreciation Fund	295,047	..	..	355,967	..	..
Education Loans	40,155	2,214	1,108,120	56,162	3,962	541,160
General Purposes Relief	21,314	..	..	25,963	..	..
Hauraki Plains Settlement	33,506	1,808	25,000	12,359	4,836	200,000
Hunter Soldiers' Assistance Trust	3,084	..	..	3,734	..	..
Hutt Valley Lands Settlement .. ..	..	..	..	27,171	..	..
Kauri-gum Industry	3,442	441	..	2,365	..	..
Land Assurance Fund	80,759	..	..	81,052	..	..
Land for Settlements	133,168	1,143	500,000	163,453	870	500,000
Land for Settlements—						
Discharged Soldiers Settlement	71,273	238	1,500,000	118,274	74	1,500,000
Opening-up Crown Lands for Settlement ..	6,602	2,799	250,000	9,060	..	250,000
Loans Redemption	18,509	..	..	239	..	..
Main Highways—						
Revenue Fund	654,609	73,703	..	752,939	64,276	..
Construction Fund	120,104	81,847	2,500,000	70,559	124,746	2,400,000
Mining Advances	12,646	..	50,000	13,612	..	50,000
National Endowment	126,493	1,005	..	129,312	..	..
National Endowment Trust	20,206	..	..	25,139	..	..
Native Land Settlement	104,331	542	500,000	114,397	4,045	500,000
Public Debt Repayment	2,096	..	..	4,395	..	..
Railways Improvement Authorization Act, 1914	280,662	42,083	958,310	402,655	50,524	2,000,000
Rangitaiki Land Drainage	24,184	448	15,000	14,839	970	15,000
Reserve Fund	2,000,000	..	..	2,000,000	..	..
Samoan Loan Suspense .. ..	..	..	22,000	..	..	1,000
State Coal-mines	18,572	4,930	55,000	33,704	21,130	55,000
State Coal-mines Sinking Fund	48,199	..	..	55,105	..	..
State Forests	127,861	13,455	3,225	23,640	11,342	503,225
Swamp Land Drainage	12,502	1,174	150,000	4,388	3,471	150,000
Westport Harbour	70,021	612	..	81,807	4,621	..
Working Railways	798,150	309,278	..	864,514	329,829	..
State Advances	2,469,687	2,699	9,964,250	206,676	4,268	9,964,250
<i>Additional Unexhausted Authorities for raising Loans.</i>						
Hutt Railway and Road Improvement Acts, 1903, 1905, 1907, 1910 .. ..	..	..	3,320	..	..	3,320
Government Railways Amendment Act, 1910 .. ..	..	..	55,470	..	..	55,470
Finance Act, 1917, sec. 77 (Discharged Soldiers Settlement) .. ..	..	..	1,000,000	..	..	1,000,000
Naval Defence Act, 1909 (inoperative) ..	..	..	299,400	..	..	299,400
Land Act, 1924 (waste lands) .. ..	..	..	1,000,000	..	..	1,000,000
Government Accident Insurance Act, 1908 ..	..	..	23,000	..	..	23,000
State Fire Insurance Act, 1908 .. ..	..	..	98,000	..	..	98,000
Finance Act, 1918 (No. 2), Part IV (War Expenses) .. ..	..	..	4,467,360	..	..	4,467,360
Totals	13,971,473	1,450,271	35,341,245	13,102,180	1,577,535	36,441,975

Table No. 18.

STATEMENT showing the Amount charged to "UNAUTHORIZED" in each Financial Year from 1st April, 1910, to 31st March, 1927.

FINANCIAL YEAR.	CONSOLIDATED FUND.—REVENUE ACCOUNT.						OTHER ACCOUNTS.	PUBLIC WORKS FUND.	TOTAL.		
	Services not provided for.		Excess of Votes.		Total.						
	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	
1910-1911	10,427	9 4	27,200	14 6	37,628	3 10	1,009	9 7	12,833	7 5	51,471 0 10
1911-1912	20,332	3 1	62,950	14 7	83,282	17 8	860	5 4	4,982	8 7	89,125 11 7
1912-1913	2,506	15 0	115,428	2 5	117,934	17 5	63	15 0	73,404	8 3	191,403 0 8
1913-1914	4,730	15 8	80,228	10 11	84,959	6 7	137	5 8	16,671	3 3	101,767 15 6
1914-1915	109,512	12 4	68,004	2 1	177,516	14 5	853	3 5	8,189	3 10	186,559 1 8
1915-1916	30,865	10 2	47,222	13 9	78,088	3 11	14,742	5 9	2,363	3 9	95,193 13 5
1916-1917	41,600	17 4	106,454	9 0	148,055	6 4	34,852	5 5	6,636	4 1	189,543 15 10
1917-1918	17,909	4 7	48,886	8 7	66,795	13 2	26,010	17 11	7,693	0 5	100,499 11 6
1918-1919	13,519	17 3	66,701	19 8	80,221	16 11	..	..	..	..	80,221 16 11
1919-1920	77,149	13 2	362,235	0 5	439,444	13 7	1,239	5 4	11,072	14 6	451,756 13 5
1920-1921	108,498	19 2	392,596	5 9	501,095	4 11	1,750	12 6	168,745	11 6	671,591 8 11
1921-1922	2,455	13 7	105,962	14 10	108,418	8 5	2,982	1 6	292,233	1 4	403,633 11 3
1922-1923	65,687	7 9	76,710	6 9	142,397	14 6	754	10 10	41	4 2	143,193 9 6
1923-1924	189,384	15 11	1,983	3 1	191,367	19 0	33,123	3 1	41,944	10 2	266,435 12 3
1924-1925	22,526	15 9	83,690	15 3	86,217	11 0	27,390	19 0	101,970	16 2	215,579 6 2
1925-1926	30,265	7 9	26,257	3 7	56,522	11 4	30,811	19 2	23,665	13 8	111,000 4 2
1926-1927	27,913	18 1	45,418	12 4	73,332	10 5	1,581	10 7	2,801	18 9	77,715 19 9

Table No. 19.

SUMMARY OF PUBLIC DEBT AND OF THE STATE ASSETS WHICH MAY BE SET OFF AGAINST IT, AS AT 31ST MARCH, 1927, TOGETHER WITH SUPPORTING SCHEDULE SHOWING DETAILS OF ASSETS.

Debt.										£
Ordinary debt	..	..	..	..	..	..	..	..	..	132,421,886
War debt	..	..	..	..	..	..	..	..	..	73,563,181
State Advances debt	..	..	..	..	..	..	..	..	..	30,191,096
Discharged soldiers debt	..	..	..	..	..	..	..	..	..	9,674,726
Surplus assets over debt	..	..	..	..	..	..	..	..	..	8,785,603

£254,636,492

Assets.										£
Cash and investments (Reserve Funds, Bank of New Zealand shares, Public Debt Redemption Fund, &c.)	..	..	..	..	..	..	..	..	..	37,161,241
Sinking funds accrued	..	..	..	..	..	..	..	..	..	2,443,540
Loans and advances outstanding (Discharged Soldiers, State Advances, &c.)	..	..	..	..	..	..	..	..	..	35,043,797
Revenue Earning and Trading Accounts (Railways, Telegraphs, &c.)	..	..	..	..	..	..	..	..	..	72,971,322
Lands and forests (Crown lands, State forests, &c.)	..	..	..	..	..	..	..	..	..	71,091,116
Indirectly productive expenditure—	£									
Roads and public buildings, &c.	..	..	..	..	..	..	..	..	..	32,808,067
Immigration	..	..	..	..	..	..	..	..	..	3,117,409

35,925,476

£254,636,492

Details of Assets included above.

(Note : Stores or supplies in hand not included in assets.)

Cash and Investments :—

	£	£	£
*Cash in the Public Account and in the hands of officers of the Government	2,493,248		
†Less liabilities outstanding, 31st March, 1927	1,727,492		
		765,756	
*Investment of cash balances		6,632,303	
Reserve fund (securities at cost)		1,928,162	
Post Office Savings-bank Reserve Fund		1,000,000	
Bank of New Zealand shares (nominal value)		2,109,375	
‡Public Debt Redemption Fund		24,725,645	
			37,161,241

Sinking funds accrued—

State Advances debt	2,140,056		
State Coal-mines	55,105		
Westport Harbour loans	202,797		
Samoaan loan	6,755		
Nauru and Ocean Islands Sinking Fund Account	164		
Electric Supply Sinking Fund Account	38,663		
			2,443,540

Loans and advances outstanding—

Mining purposes	33,769		
Local bodies (annuity value of interest receivable)	1,006,255		
Samoaan (loan, less sinking fund)	124,245		
Repatriation advances outstanding, 31st March, 1927	372,935		
	£		
Discharged soldiers' mortgages and property held	17,238,453		
Less amount included in Public Debt Redemption Fund	13,500,000		
		3,738,453	
State Advances—Mortgages and property held, less sinking funds and investments included elsewhere	29,727,720		
General purposes relief—Advances outstanding	40,420		
			35,043,797

Revenue Earning and Trading Accounts—

Railways (capital cost, including unopened lines and value of assets taken over from provinces)	56,028,475		
Telegraphs (value of assets)	7,869,463		
Pacific cable (estimated value of Dominion's interest)	100,000		
Electric-power supply and development (capital cost)	5,842,360		
Westport Harbour-works (value of assets)	586,256		
Lighthouses and harbour-works (capital expenditure)	1,225,509		
Tourist and health resorts (capital expenditure)	439,208		
State coal-mines (value of assets)	246,202		
Kauri-gum (trading capital)	68,809		
Nauru and Ocean Islands (purchase price of rights)	565,040		
			72,971,322

Lands and forests—

Crown lands (estimated value, including settlement lands, Native lands, and education reserves)	29,551,012		
Land-drainage schemes (capital invested)	1,365,173		
Irrigation and water-supply (capital expenditure)	734,345		
Waihou and Ohinemuri Rivers improvement (capital expenditure)	548,345		
Lands improvements (capital expenditure)	356,283		
Samoaan Crown Estates (value of Dominion's interest)	662,360		
Howard Estate	75,000		
State forests (estimated value of forests, reserves, plantations, and nurseries)	37,798,598		
			71,091,116

Indirectly productive expenditure—

Public buildings (including school buildings)	12,934,037		
Roads (including roads on Crown lands and main highways)	18,957,903		
Timber-supply, sawmills, &c. (capital invested)	12,684		
Quarries (acquisition and working)	20,468		
Development of mining (capital expenditure)	882,975		
Immigration (capital expenditure)	3,117,409		
			35,925,476

£254,636,492

* Does not include trust, deposit, or sinking funds, or certain other accounts included elsewhere.

† After deducting £25,824, credits due from other Governments, from the total liabilities which include £175,781 unpaid on Bank of New Zealand C shares.

‡ Includes £13,500,000 previously included under discharged soldiers mortgages, and £11,225,645 of accumulated sinking funds.

Table No. 20.

PUBLIC DEBT.

STATEMENT SHOWING LOANS FALLING DUE IN THE NEXT SEVEN YEARS, ENDING WITH THE YEAR 1934,
EXCLUDING IMPERIAL DEBT REPAYMENTS.

Year ending 31st March,					London.	Australia.	New Zealand.	Total.
					£	£	£	£
1928	..	..	..	..	7,350	84,900	8,313,266	8,405,516
1929	..	..	..	..	13,000	15,500	14,055,375	14,083,875
1930	..	..	..	..	29,571,240	2,360	13,487,168	43,060,768
1931	..	..	..	..	11,150	123,190	21,817,171	21,951,511
1932	..	..	..	..	200	334,900	2,116,940	2,452,040
1933	..	..	..	..	55,990	477,550	4,120,583	4,654,123
1934	..	..	..	..	..	..	600	600
Totals ..					29,658,930	1,038,400	63,911,103	94,608,433

Table No. 21.

PUBLIC DEBT.

STATEMENT OF HALF-YEARLY INSTALMENTS OF PRINCIPAL AND INTEREST FOR REPAYMENT OF
£27,532,164 ADVANCED BY THE IMPERIAL GOVERNMENT AND FUNDED IN TERMS OF THE
AGREEMENT DATED 6TH SEPTEMBER, 1922.

Date Instalments paid.					Interest.	Principal.	Balance of Debt outstanding.
					£	£	£
1st December, 1922	..	..	..	..	684,794	141,171	27,390,993
1st June, 1923	..	..	..	..	681,282	144,683	27,246,310
1st December, 1923	..	..	..	..	677,684	148,281	27,098,029
1st June, 1924	..	..	..	..	673,996	151,969	26,946,060
1st December, 1924	..	..	..	..	670,216	355,749*	26,590,311
1st June, 1925	..	..	..	..	661,367	164,598	26,425,713
1st December, 1925	..	..	..	..	657,274	168,691	26,257,022
1st June, 1926	..	..	..	..	653,078	172,887	26,084,135
1st December, 1926	..	..	..	..	648,778	177,187	25,906,948

* Includes £200,000 paid off the Naval Defence Loan in terms of the clause by which New Zealand has the right, on giving three months' notice, to repay at par any part of the principal.

Table No. 22.

EDUCATION EXPENDITURE.

TOTAL EXPENDITURE ON EDUCATION OUT OF PUBLIC FUNDS, INCLUDING UNIVERSITY, PRIMARY, SECONDARY, AND HIGHER EDUCATION, TECHNICAL AND SPECIAL SCHOOLS, 1913-14 TO 1926-27.

Year.	Consolidated Fund.					Loan-money: Erection of School Buildings and Residences.		Total.	Per Head of Mean Population.
	Special Acts.	National Endowment Revenue.	Administration: Vote, Education, Salaries and other Charges.	Revenue from Reserves.	Subsidies to Teachers' Superannuation Fund.	Public Works Fund.	Education Loans Account.		
	£	£	£	£	£	£	£	£	£ s. d.
1913-14 ..	27,742	50,681	1,131,756	71,808	17,000	121,954	..	1,420,941	1 5 3
1914-15 ..	26,128	55,139	1,207,983	70,802	17,000	122,940	..	1,499,992	1 6 2
1915-16 ..	46,874	64,858	1,329,166	84,390	17,000	97,972	..	1,640,260	1 8 6
1916-17 ..	58,408	60,180	1,406,264	90,535	17,000	70,367	..	1,702,754	1 9 8
1917-18 ..	59,362	70,345	1,511,256	90,518	17,000	63,082	..	1,811,563	1 11 5
1918-19 ..	57,716	76,177	1,602,995	92,095	43,000	115,656	..	1,987,639	1 14 1
1919-20 ..	79,747	78,988	2,031,825	99,352	43,000	195,500	..	2,528,412	2 1 10
1920-21 ..	101,972	70,313	2,460,116	100,758	43,000	244,722	214,571	3,235,452	2 11 8
1921-22 ..	96,217	71,737	2,580,562	105,448	43,000	2,469	563,411	3,462,844	2 13 10
1922-23 ..	90,393	66,610	2,514,991	112,378*	68,000	..	361,976	3,214,348	2 9 0
1923-24 ..	96,506	77,788	2,604,508	116,808*	68,000	..	295,681	3,259,291	2 8 11
1924-25 ..	128,844	86,746	2,752,271†	118,973*	68,000	..	462,212	3,617,046	2 13 2
1925-26 ..	111,389	87,512	2,854,719†	119,978*	70,952	..	564,946	3,809,496	2 14 9
1926-27 ..	115,499	88,545	2,954,597†	119,073*	71,452	..	550,954	3,900,120	2 14 11

* Net revenue after deducting expenses and cost of collection.

† Excluding £25,000 for teachers' superannuation, included under that heading.

In addition, secondary schools and University colleges derive direct income (amounting for 1926-27 to £77,175) from reserves vested in them.

The following amounts were also paid out of the Government Fire Insurance Fund for rebuilding school buildings destroyed by fire :—

	£
1916-17	2,127
1917-18	2,658
1919-20	15,682
1920-21	16,162
1921-22	27,103
1922-23	8,542
1923-24	12,490
1924-25	32,829
1925-26	4,938
1926-27	10,337

Table No. 23.

PENSIONS.

STATEMENT OF AMOUNTS PAID ON ACCOUNT OF PENSIONS FOR THE FINANCIAL YEARS ENDED 31ST MARCH, 1924 TO 1927.

	Year ended 31st March,			
	1924.	1925.	1926.	1927.
	£	£	£	£
War	1,306,652	1,242,182	1,179,552	1,122,741
Old-age	765,392	804,969	901,256	979,296
Widows'	202,364	235,959	285,654	301,080
Miners'	36,060	38,477	40,204	41,947
Maori War	30,326	26,836	23,087	19,446
Epidemic	32,507	22,938	14,420	10,935
Civil Service Act, 1908	21,025	19,115	16,767	16,724
Defence Act, 1909	3,146	3,071	2,898	2,628
Judicature Act, 1908	2,889	3,548	2,703	3,556
Police	486	586	552	406
Blind .. .. .	..	1,036	8,040	10,304
Sundry	4,374	4,897	5,022	5,945
Totals	2,405,221	2,403,614	2,480,155	2,515,008

Table No. 24.

EXTERNAL TRADE.

STATEMENT SHOWING IMPORTS AND EXPORTS OF THE DOMINION IN EACH FINANCIAL YEAR ENDED 31ST MARCH, 1920 TO 1927.

Year ended 31st March,	Imports.	Exports.	Excees of Exports.	Excess of Imports.
	£	£	£	£
1920	32,162,029	50,776,650	18,614,621	..
1921	67,463,269	48,219,672	..	19,243,597
1922	35,986,060	43,794,883	7,808,823	..
1923	37,112,779	45,548,700	8,435,921	..
1924	44,401,756	51,652,606	7,250,850	..
1925	49,821,095	54,771,158	4,950,063	..
1926	53,025,856	48,697,587	..	4,328,269
1927	48,192,670	45,682,338	..	2,510,332
			47,060,278 26,082,198	26,082,198
Totals	368,165,514	389,143,594	20,978,080	

Table No. 25.

INCOME-TAX.

COMPARATIVE STATEMENT SHOWING AMOUNT OF INCOME-TAX PAID IN NEW ZEALAND, AUSTRALIAN STATES, AND GREAT BRITAIN ON SELECTED INCOMES UP TO £10,000 PER ANNUM.

(NOTE.—Figures for Australian States include Commonwealth Tax.)

Income per Annum.	Taxpayer (married with Children).	New Zealand.	New South Wales.	Victoria.	Queensland.	South Australia.	Great Britain.
		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
£400	None ..	2 12 6	5 8 9	3 17 6	6 11 2	8 3 11	10 17 4
	Two ..	Nil	Nil	0 14 7	0 6 7	3 11 10	4 9 8
	Three ..	Nil	Nil	Nil	Nil	2 5 10	1 16 8
£600	None ..	7 17 6	20 9 2	18 7 6	25 9 4	22 11 10	32 8 8
	Two ..	5 5 0	12 16 4	11 17 7	14 18 9	15 3 2	21 4 0
	Three ..	3 18 9	9 7 6	9 11 8	10 4 2	11 17 6	18 10 8
£800	None ..	25 7 6	38 1 11	33 8 2	51 6 9	40 12 11	65 18 0
	Two ..	20 5 0	28 18 11	26 6 10	38 6 9	35 13 3	53 3 4
	Three ..	17 17 6	24 12 0	22 14 6	31 9 0	33 8 0	47 12 0
£1,000	None ..	43 15 0	59 5 4	51 2 10	90 6 5	63 1 4	99 2 0
	Two ..	37 2 6	48 7 6	42 10 10	77 18 10	56 15 2	86 11 4
	Three ..	34 0 0	43 3 0	38 9 3	69 6 6	53 16 6	81 3 4
£1,250	None ..	62 10 0	89 5 11	79 2 0	132 18 6	96 3 5	140 18 0
	Two ..	54 12 6	78 5 11	73 2 0	125 8 9	90 3 5	128 5 4
	Three ..	50 17 6	72 18 8	70 4 9	121 14 6	87 6 2	122 15 4
£1,500	None ..	84 7 6	119 5 4	104 4 3	167 3 8	130 15 6	182 8 8
	Two ..	75 5 0	106 18 4	97 5 7	170 5 0	123 16 10	169 18 8
	Three ..	70 17 6	101 5 10	93 18 11	166 18 4	120 10 2	164 10 0
£2,000	None ..	137 10 0	187 10 0	162 10 0	285 0 0	214 16 10	282 10 0
	Two ..	125 17 6	172 17 0	153 13 8	276 3 8	206 0 6	269 18 0
	Three ..	120 5 0	160 9 3	144 4 3	271 18 4	196 11 1	264 10 0
£10,000	None ..	2,205 0 0	2,705 15 0	2,292 0 0	3,227 0 0	3,025 2 6	2,968 15 0
	Two ..	2,182 10 0	2,665 15 0	2,262 0 0	3,197 0 0	2,995 2 6	2,956 3 0
	Three ..	2,171 5 0	2,645 15 0	2,247 0 0	3,182 0 0	2,980 2 6	2,950 15 0

By Authority: W. A. G. SKINNER, Government Printer, Wellington.—1927.

Table No. 25

INCOME-TAX

COMPARATIVE STATEMENT SHOWING AMOUNT OF INCOME-TAX PAID IN NEW ZEALAND, AUSTRALIAN STATES, AND GREAT BRITAIN OF SELECTED INCOMES UP TO £10,000 PER ANNUM.

(Note.—Figures for Australian States include Income Tax.)

Income	New Zealand	New South Wales	Victoria	Queensland	South Australia	Great Britain
None	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
100	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
200	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
300	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
400	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
500	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
600	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
700	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
800	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
900	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
1,000	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
1,200	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
1,400	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
1,600	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
1,800	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
2,000	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
2,200	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
2,400	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
2,600	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
2,800	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
3,000	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
3,200	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
3,400	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
3,600	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
3,800	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
4,000	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
4,200	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
4,400	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
4,600	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
4,800	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
5,000	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
5,200	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
5,400	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
5,600	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
5,800	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
6,000	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
6,200	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
6,400	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
6,600	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
6,800	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
7,000	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
7,200	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
7,400	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
7,600	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
7,800	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
8,000	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
8,200	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
8,400	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
8,600	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
8,800	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
9,000	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
9,200	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
9,400	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
9,600	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
9,800	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6
10,000	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6	2 12 6