

1930.  
NEW ZEALAND.

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# FINANCIAL STATEMENT.

*(In Committee of Supply, 24th July, 1930.)*

BY THE HON. G. W. FORBES, MINISTER OF FINANCE.

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MR. CHAIRMAN,—

In submitting this Financial Statement to honourable members, I am not unmindful of the circumstances which have resulted in the honour devolving upon myself. As you are aware, the portfolio of Minister of Finance was until recently held by the late Right Hon. Sir Joseph Ward, who on account of ill health had unfortunately been compelled to resign an office which he held with intervals over a long period of years with credit to himself and very material benefit to the whole Dominion. By his death, the British Empire and this Dominion in particular have suffered a great loss. Sir Joseph Ward's long and distinguished public record will serve as a lasting monument to an outstanding statesman.

The financial year which has just closed has been a difficult one from many points of view. Returns of overseas trade showed a decline in the value of exports, compared with that of the previous financial year, of over £8,000,000, while imports increased by over £4,000,000. The visible balance of trade for 1929–30 was, therefore, over £12,000,000 less favourable to the Dominion than for 1928–29. This reduction in the value of our exports is due almost entirely to the lower prices received. The declared value of butter, for instance, the principal export for the year, declined 8·5 per cent., whereas the reduction in quantity was only 0·4 per cent.; and wool, the second in order of exports, declined by nearly £5,000,000, a fall of 32 per cent. in value, although a reduction in quantity of only 5 per cent. In considering these figures, however, account must be taken of the heavy stocks of produce held in New Zealand at the end of the year. These were substantially higher than those on hand at the end of the previous financial year, and the proceeds of the produce carried over will improve the export figures for the current year to the extent of the amount eventually realized. Overseas trade.

Turning now to the banking position, it will be remembered that at the end of March, 1929, coincident with a favourable balance of trade, deposits exceeded advances by £8,986,000, whereas by the same date the following year the excess deposits had declined to £326,000. During this period deposits declined by £1,343,000 and advances increased by £7,317,000, reflecting the decreased exports and increased imports for the year. This contraction of the national income means reduced spending-power both privately and nationally. Banking position.