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1930.
NEW ZEALAND.

FINANCIAL STATEMENT.

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

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

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.

Exchange rates.

Due partly to the adverse balance of trade, but more especially to the economic conditions obtaining in Australia, the exchange rates rose sharply against the New Zealand importer, and at the close of the financial year stood at £5 per cent. While the result has been to increase the cost of all imported goods, at the same time a considerable incentive has been given to local production. Moreover, the favourable exchange rates for exporters have to some extent reimbursed the primary producers for lower prices realized, so that the position is not without its compensations.

Economic position.

Reviewing the whole position for the year, it will be seen that the present financial stringency is due principally to the decline in the value of our primary products. As these are responsible for approximately 99 per cent. of our exports, it is evident that any reduction in value affects the prosperity of the whole Dominion. This decline of export values is not peculiar to New Zealand, but is evidence of the fact that world prices are tending progressively downwards. We are therefore faced at present with a substantial reduction in our national income, to which we must adjust our expenditure accordingly. From the point of view of the public accounts, the Government is faced with reduced revenue from both Customs and land and income tax, and, in fact, from all heads of revenue, during the ensuing year, while, on the other hand, debt charges, pensions, and other statutory payments of a rigid nature will result in additional expenditure. Moreover, the railways have now become a liability on the Consolidated Fund, and will require financial assistance to enable them to carry on.

It will be remembered that last year it was found necessary to reduce expenditure and increase taxation in order to ensure a balanced Budget. A country dependent on overseas investors for the greater part of the capital required for developmental purposes cannot afford to impair its credit by deficits. The steps taken by the Government to meet the financial position were successful, and, as has already been publicly announced, the year's transactions closed with a surplus of approximately £150,000.

REVENUE.

Revenue.

A summary of the ordinary revenue account of the Consolidated Fund is to be found in Table No. 3 attached to this Statement, and the actual details appear in the published accounts.

Of a total revenue for the year of £25,349,861, the sum of £19,474,115 represents proceeds of taxation, the balance of £5,875,746 being interest earnings, fees, and miscellaneous departmental receipts. Of the proceeds of taxation, £8,837,335 is direct taxation, and the remaining £10,636,780 is indirect.

Included in the total revenue is the sum of £1,510,790, being petrol-tax, duties, licenses, &c., in respect of motor-vehicles, which revenue is specially earmarked for main highways, leaving £23,839,071 available for the general purposes of the State. This represents an increase of £1,482,972 over the receipts of the previous year.

The principal headings of increased revenue were "Customs" and "Land and income tax." Customs revenue showed an increase of £942,794 over that of last year, and exceeded the estimate by £497,046. This was due to the fact that the total imports were greater than anticipated, the imports for 1929–30 exceeding those of the previous year by over £4,000,000. The main items resulting in the increased revenue were duty on apparel and textiles (£140,317), spirituous liquors (£110,047), and motor-vehicles (£74,845). Also, the additional primage duty, which is included in Customs revenue, was responsible for approximately £310,000 of the total. In accordance with the provisions of the Act imposing the additional tax, the primage duty on foodstuffs and also on manures reverted to 1 per cent. on the 31st March last. It was prescribed in the Customs Amendment Act, 1929, that the additional primage duty on other classes of goods might be removed by Order in Council, and it was hoped at the time that it would be possible to do this on the 1st April last. In view of the present financial position, however, no such action could be taken.

Primage duty.

Direct taxation.

Land and income tax receipts for the year totalled £5,040,675, as against £4,451,201 for the previous year, and exceeded the estimate by £147,675. The Commission set up to consider cases of hardship arising out of the amendment to the law last session, whereby farmers holding land of an unimproved value of £14,000 or over are assessable with special land-tax, considered 531 applications,

declined twenty-three, and granted remissions totalling £118,000. In all cases the Commission's recommendations were adopted by the Government. After allowing for the remissions, the additional tax received amounted to £240,000. Taxation Commission.

In problems of taxation, as in many other matters governed by arbitrary rates, absolute justice can never be completely attained, but the provision for appeal in the case of special land-tax at least prevented undue hardship being imposed on particular individuals.

Notwithstanding the large amount of remissions by the Commission, the data obtained from the income-tax returns of large farming incomes, also required by the legislation passed last session, clearly proved that the much-disputed contention contained in last year's Budget—that large farming incomes have not in recent years borne their fair share of taxation—was in accordance with the facts. This was proved by the fact that in 180 cases the income-tax on farming incomes exceeded the ordinary land-tax and special land-tax added together. The excess income-tax in these cases amounted to £47,500. This means that formerly some farming incomes were contributing less than half of their fair share of taxation, and clearly shows the equity of obtaining part of the additional revenue required for last year from this section of the community. The total increase in income-tax revenue due to the assessment of farming incomes amounted to £94,000, including the aforementioned sum of £47,500.

The principal decreases of revenue were in respect of stamp and death duties (£170,428)—the latter being obviously difficult to forecast—and interest on railway capital liability (£199,011). The decrease in interest-recoveries from the railways is due to the writing-off of £8,100,000 of railway capital. This reduction, however, was offset by a decrease in expenditure resulting from the cancellation of the subsidies previously paid on branch lines and isolated sections of railway, and an increase in the rate of interest payable from $4\frac{1}{8}$ per cent. to $4\frac{1}{4}$ per cent., the reason for which I will explain later. Revenue decreases.

EXPENDITURE.

The net expenditure of the Ordinary Revenue Account for the year totalled £25,200,882, compared with £24,176,928 for the previous financial year. The net increase of £1,023,954 is made up of £983,008 in permanent appropriations, and the balance of £40,946 in annual appropriations. The modest increase in the latter is evidence of the very successful efforts made by the Government to keep departmental expenditure down to a minimum. Expenditure under permanent appropriations consists of interest, debt-repayment charges, and payments under special Acts of the Legislature, whereas the annual appropriations cover the various departmental votes. Notwithstanding the fact that the estimates for these votes were most carefully overhauled last year, the close control maintained over expenditure resulted in the votes being underspent by approximately £218,000. Expenditure.

PERMANENT APPROPRIATIONS.

Briefly, the expenditure under permanent appropriations consisted of the following items:— Comparative increases.

	Expenditure, 1929-30. £	Increase over the previous Year. £
Interest and debt-repayment	10,697,242	586,501
Pensions and family allowances	2,749,898	92,364
Proceeds of petrol-tax and other earmarked revenues appropriated to Main Highways Account and local authorities	1,509,410	274,394
Subsidies to Hospital Boards and local authorities	952,144	62,390
Subsidies to Superannuation Funds and National Provident Fund	381,548	176,832
Other items under various special Acts ..	937,363	209,473*
Total	£17,227,605	£983,008

* Decrease.

Interest.

Further details of the expenditure in comparison with that of the previous year will be found in Table No. 8 attached to this Statement. The increase under the heading of "Debt charges" includes £459,751 for interest, part of which is an outcome of the large conversion operations in connection with the 4-per-cent. 1929 consolidated stock, to which I will refer more particularly when dealing with the public debt. The balance of the increase comes from the new borrowing for carrying on the developmental programme of public works and land-settlement, &c. The debt-repayment increase arises from the fact that under the general debt-repayment scheme, together with the funded-debt agreement with the British Government, the contribution for debt-repayment is increased by the greater part of the savings in interest on debt repaid, and consequently does not increase the burden on taxation, because if the debt had not been repaid the interest charge would have remained.

Pensions.

In regard to pensions, these generally must be expected to increase with the population. Of the increase for the year, old-age pensions were responsible for £49,250 and war pensions £25,776. It might perhaps be thought that the latter should be falling off instead of increasing, but, as a matter of fact, many of the returned men are only now feeling the full effect of their war injuries.

Tire and motor-spirits, &c., tax.

The taxation derived from tire and motor-spirits tax, fees, fines, &c., is credited in the first instance to the Consolidated Fund, and transferred as required to the Main Highways Revenue Fund, or paid to local authorities, &c., in accordance with the statutory provisions. In so far as the Consolidated Fund is concerned, therefore, the increased expenditure is offset by increased revenue.

Subsidies to Hospital Boards, &c.

The increase of £62,390 under the heading of "Subsidies to Hospital Boards and local authorities" consists of £58,767 in respect of the former, and the balance, £3,623, in respect of the latter. The rates of hospital subsidy are statutory, and the increase is due to the added cost of public hospitals throughout the Dominion, in connection with which I may add that the total charge on public funds, both local and Government, per head of population has risen from 15s. 5d. in 1923-24 to £1 1s. 4d. in 1929-30.

Superannuation funds.

Attention was drawn in the last Budget to the unsatisfactory state of the finances of the State superannuation funds, and in order to meet part of the shortage an additional £100,000 was paid to the Public Service and £75,000 to the Teachers' Superannuation Funds during the year. The balance of the increased subsidies is in respect of the National Provident Fund.

Railways.

The balance of miscellaneous items under special Acts shows a decrease of £209,473. This is due principally to the fact that as from the 1st April, 1929, the subsidy in respect of isolated sections and branch lines of railway was discontinued, but the sum of £29,929 came to charge during the year, being the subsidy owing as at the 31st March, 1929. The subsidy paid during the previous financial year was £496,578, so that the reduction in this item amounted to £466,649. Against this, however, must be set the advance of £150,000 from the Consolidated Fund to Working Railways Account to enable the expenditure for the year to be met. This advance cannot be recovered and will require to be written off. It was accordingly made a charge against revenue for the year. The net decrease on account of subsidies to the Railways was thus £316,649; but this reduction did not represent a net gain to the Consolidated Fund, as it was more than offset on the revenue side by a reduced interest recovery amounting to £344,250 on account of the £8,100,000 of capital written off.

ANNUAL APPROPRIATIONS.**Annual appropriations.**

The net expenditure under this heading amounted to £7,973,277, compared with £7,932,331 for 1928-29. Almost half of the total under annual appropriations is in respect of vote "Education," the expenditure for the year being £3,218,828, which is £126,532 in excess of that for the previous year. While on the subject of education, I would like to say that the expenditure out of the vote is by no means the total cost to the State. In addition, there is expenditure under various Acts of Parliament, included under permanent appropriations, and also expenditure out of the revenue derived from national endowments and reserves (details are shown in Table No. 23 attached to this Statement). Then

there is the annual charge, amounting to approximately £350,000, for interest and debt-repayment charges on the loan expenditure. Thus the total cost to the Dominion for education now exceeds £4,500,000 per annum.

An increase of £23,494 is also shown under the Marine Department's vote. This was brought about by the purchase of a new lighthouse tender to replace the s.s. "Tutanekai." The balance of the purchase-price will come to charge during this financial year.

These and other smaller increases in the expenditure were partly offset by comparative decreases under other votes, the net increase under annual appropriations, as already stated, being £40,946.

SUMMARY OF THE YEAR'S OPERATIONS.

The transactions for the year resulted in a surplus, as follows:—

Summary of
year's operations.

<i>Revenue.</i>					£	£
Taxation—						
Direct ..	..	..	..	..	8,837,335	
Indirect ..	..	..	..	..	10,636,780	
						19,474,115
Other receipts ..	..	..	..	..		5,875,746
						<u>£25,349,861</u>
<i>Expenditure.</i>					£	£
Permanent appropriations ..	..	..	..	..	20,297,824	
Less credits in reduction ..	..	..	..	..	3,070,219	
						17,227,605
Annual appropriations ..	..	..	..	..	9,226,500	
Less credits in aid ..	..	..	..	..	1,253,223	
						<u>7,973,277</u>
Net expenditure chargeable against revenue ..						25,200,882
Surplus						<u>£148,979</u>

The following shows the year's results as reflected in the Ordinary Revenue Account of the Consolidated Fund:—

Result in funds of
Ordinary Revenue
Account.

					£	
Balance brought forward, 1st April, 1929..					2,453,541	
Add—						£
Surplus, 1929–30 .. .. .	..	..	..	..	148,979	
Advance to Native Trustee repaid (net) ..	..	..	..	..	33,000	
						<u>181,979</u>
Less—						2,635,520
Advances to Rural Intermediate Credit Board					162,000	
Subsidies to local authorities for unemployment relief .. .. .	..	..	..	..	111,728	
Assistance towards restoration of public works damaged by earthquake ..	..	..	..	..	3,516	
Charges and expenses of raising loans ..	..	..	..	..	1,939	
						<u>279,183</u>
Balance, 31st March, 1930						<u>£2,356,337</u>
This balance was made up as follows:—					£	
Cash .. .. .	..	..	..	..	1,510,239	
Imprests outstanding .. .. .	..	..	..	..	132,132	
Investments .. .. .	..	..	..	..	713,966	
						<u>£2,356,337</u>

**Repayment by
Native Trustee.**

The repayment by the Native Trustee of £33,000 was in respect of advances made during the previous financial year in terms of the Native Trustee Act, 1920 (section 17), whereby the Minister of Finance is authorized to advance moneys when the balance in the Native Trustee's Account is insufficient to meet the lawful charges thereon. A further £16,500 was advanced and repaid within the year.

**Rural Intermediate
Credit Board.**

The Rural Intermediate Credit Act, 1927 (section 16), provides for advances out of the Ordinary Revenue Account of the Consolidated Fund to the Rural Intermediate Credit Board of a total amount of £400,000, free of interest for ten years from the date of the first advance. The advances totalling £162,000 referred to above represent the amount paid over during the year. In addition, advances aggregating £110,100 were paid over in 1928-29.

**Subsidies on account
of unemployment
relief.**

Regarding the subsidies paid to local authorities for unemployment relief, the amount of £111,728 represents the actual payment made during the year. Unemployment relief works undertaken by local authorities are now subsidized by the State on the basis of £2 for £1 of the labour-costs in urban and suburban districts and £1 for £1 on both materials and wages in the case of rural districts; but I will deal with the whole matter of unemployment relief presently.

**Expenditure on
account of
earthquake.**

The expenditure of £3,516 as a charge against the Consolidated Fund on account of the damage caused by the earthquake last year was authorized by the Finance Act, 1929 (section 9). The expenditure was mainly in respect of subsidies to local authorities. The total cost to the State in connection with the earthquake damage was, however, much greater than this, and I will deal fully with the matter later.

TREASURY BILLS.**Treasury bills.**

Revenue Treasury bills amounting in the aggregate to £4,595,000 were issued during the year, but £1,200,000 of these bills represented only internal transactions between Treasury accounts to facilitate the financing of the year's operations. Of the bills issued to the public, £2,695,000 was the maximum amount current at any one time. This last amount included £145,000 issued in New Zealand at interest-rates of 5 and $5\frac{1}{4}$ per cent., and £2,550,000 issued in London at a discount varying from $5\frac{9}{16}$ per cent. down to $4\frac{9}{16}$ per cent., the market rate falling to this extent during the period 1st November to 31st December, 1929, when the bills were issued. All of these bills were issued in anticipation of revenue, and were duly paid off during February and March last, when the income-tax revenue came to hand.

Starting on the 27th February, 1930, a series of redemption bills were sold in London at a discount varying from $3\frac{1}{2}$ per cent. down to $2\frac{1}{8}$ per cent. The necessity for the issue of these bills however, arose out of exchange difficulties and the prohibitive cost of £5 per cent. for telegraphing money to London. At the 31st March £2,650,000 of these bills were outstanding, but they were covered for the most part by £2,500,000 of fixed deposits in New Zealand. A total of £1,500,000 of these deposits bore interest at $3\frac{3}{4}$ per cent., and £1,000,000 at $3\frac{1}{4}$ per cent. It will thus be seen that the cost of the redemption bills was more than offset by the interest earned on the fixed deposits.

It will perhaps be observed that during 1929-30 much greater use was made of Treasury bills than had been the case in recent years. The reasons for this are the decreasing working-balance in the Consolidated Fund, the mobilization and use of some millions of cash in London over and above normal requirements in connection with the conversion operations (with which I will deal presently), and the abnormal exchange-rates New Zealand on London. The combination of these factors made the financing of the year's operations a somewhat involved and intricate matter.

PUBLIC WORKS.

I wish now to deal with another important section of the State's activities, and that is in respect of public works. During the year substantial progress was made towards the completion of the large undertakings in hand, and as a result the expenditure was somewhat higher than for the previous year. The actual expenditure under the several headings was as follows:—

Public-works
expenditure.

	£
Railway construction, additions, and improvements	3,315,612
Main highways and roads	2,288,217
Hydro-electric supply	581,975
Telegraphs and telephones	657,291
Public buildings (including schools)	817,970
Irrigation, land and river improvements	283,872
Other public works	136,881
Total	£8,081,818

Works in hand have been proceeded with as rapidly as possible in order, firstly, to make them productive at the earliest possible moment, and, secondly, to assist in relieving the unemployment position.

The expenditure on railways—namely, £3,315,612—was, as in previous years, the largest item in the total expenditure. As most honourable members are aware, the Public Works Department undertakes the construction of all new lines, and when completed they are handed over to the Railway Department at cost. During last financial year no new sections of railway were handed over, but some twenty-seven miles north of Napier, and the Auckland–Westfield Deviation, about ten miles in length, are both rapidly approaching completion, and will be transferred to the Railway Department this year.

Expenditure on
railways.

Commencing from the north, expenditure amounting to £128,083 was incurred in extending the Main Trunk line beyond Okaihau. Construction work is particularly difficult and expensive in the North Auckland district on account of the instability of the ground, and, as has already been announced, the Government does not propose to carry the extension beyond Rangihua, where contact is obtained with the Hokianga River.

North Auckland
Trunk line.

The section of line connecting the Dargaville–Kaihu Valley Railway to the North Island Main Trunk line at Kirikopuni resulted in expenditure amounting to £144,000. It is expected that this section will be completed in about nine months.

Dargaville–
Kirikopuni line.

Proceeding southward, the next line under construction is the Gisborne–Napier Railway. When the United Government came into office the position in regard to the route was carefully reviewed, and it was decided to adopt what is known as the coastal route. This route, in addition to saving about eight miles in actual distance, reduces the amount of construction work by about twenty-six miles, so that, in addition to reduced cost, the line will be in operation earlier than if the inland route had been adopted. On the section between Gisborne and Waikokopu the expenditure was £266,981, and between Putorino and Wairoa £343,777 was expended on the usual classes of railway-construction, including practically the completion of large viaducts at Matahura and Waikari.

Gisborne–Napier
line.

The Stratford to Main Trunk section was vigorously prosecuted during the year, and the amount of £372,476 expended in connection therewith, principally on heavy tunnelling-work.

Stratford to Main
Trunk line.

Coming now to the South Island, preliminary work in connection with the construction of the last link in the South Island Main Trunk Railway—namely, the section between Parnassus and Wharanui—resulted in expenditure amounting to £74,857. The work consisted mainly of formation of access roads and accommodation for workers.

South Island Main
Trunk.

As regards the other sections of construction work in the South Island—namely, the Westport–Inangahua and Nelson–Inangahua lines—the work on which was seriously interrupted by the earthquake in June, 1929, a large amount of the expenditure has been incurred in connection with restoration work. The expenditure

Westport–Inangahua
and Nelson–
Inangahua lines.

during the year amounted to £88,113 in connection with the former line and £72,215 in respect of the latter. The work was further dislocated by the slips which continued to fall after the earthquake, so that it is only recently that work has been resumed.

Additions to open lines, &c.

Of the total expenditure on railways, the sum of £393,072 was in respect of additions to open lines. Of this amount, £347,853 was expended on new rolling-stock and £44,494 on the motor-omnibus system at Wellington.

Railways-improvement expenditure.

In addition to construction works undertaken from the Public Works Fund, capital expenditure in connection with the Railways is also carried out as a charge against the loan-moneys allocated to Railways Improvement Account. The expenditure under this heading amounted to £1,285,086, including £310,927 in connection with the Tawa Flat Deviation, and £62,380 in respect of the Auckland-Westfield Deviation.

Roads and highways.

The next item of public-works expenditure to be considered is that of highways and roads. The expenditure on the former was £1,097,148, and on the latter £1,191,069, a total of £2,288,217. In both cases the expenditure represents a record for a single year. As regards main highways, the increased expenditure is to be expected owing to the declaration of further lengths of roads as main highways and the necessity of finding additional work for the unemployed. Under the heading of unemployment relief the sum of £238,565 was expended on main highways. The funds for main highways were provided as follows: £750,000 from Main Highways Revenue Fund (being proceeds of tire and petrol tax, &c.), £200,000 transferred from the Public Works Fund, on which the charges have heretofore been met by the general taxpayer, and the balance represents moneys specifically raised for main highways, on which the annual charges are met from motor taxation. Regarding the expenditure on roads, the large increase is due to the fact that the greater part of the funds provided for the relief of unemployment last year were applied to road-construction. Of the various classes of public works, road-construction is undoubtedly one of the most suitable for unemployment relief, involving as it does the highest proportion of labour cost to total cost, besides providing an asset which facilitates transport and communication—pre-requisites for successful settlement and production under modern conditions.

Backblock roads.

Last year's provision for ordinary metalling and improvement of backblock settlement roads, for the most part in co-operation with County Councils, was £400,000, of which £353,337 was expended. It is proposed to set aside an additional amount this financial year for the purpose of providing access to the outlying districts of the Dominion. This represents a further contribution by the Government towards encouraging primary production.

Hydro-electric supply.

The expenditure of £581,975 on hydro-electric-supply works was the lowest since 1922-23. The capital expenditure under this heading must be expected to taper off each year now, as, with the exception of the Arapuni and Waitaki River, all the schemes are now in operation. As honourable members are aware, it was unfortunately found necessary to close down the plant at Arapuni, owing to serious faults having developed. Pending a comprehensive report on the matter, arrangements have been made to bring the various stand-by plants into operation, assisted by the Horahora plant, in order to avoid dislocation of the electrical services throughout the Auckland Province. Honourable members may rest assured that full details of the Government's proposals in connection with Arapuni will be made available as soon as the position has been fully investigated. The Waitaki River scheme is the only other large one remaining to be completed, although extensions will probably be required for all of the several schemes from time to time.

Mangahao-Waikaremoana scheme.

The interconnected Mangahao-Waikaremoana scheme was operated continuously during the year, and, although the accounts disclose a net loss of £55,438 after charging interest on capital and depreciation, the position is substantially better than that for the previous financial year, when the loss amounted to £102,800.

Lake Coleridge scheme.

The Lake Coleridge scheme has now reached a very satisfactory position, as last year, in addition to paying off all arrears of sinking fund, the sum of £44,000 was transferred to general reserve.

The next item to be considered is public buildings, on which the expenditure for the year was £817,970. Of this amount £428,764 was in respect of schools, and charged against Education Loans Account, and the balance of £389,206 was expended on post-offices, hospitals, departmental and other buildings. Public buildings.

More than half of the expenditure on schools was in connection with primary schools, in accordance with the Government's policy of giving precedence to the needs of outlying districts where no schools at present exist, and in providing additions where the existing accommodation is considered insufficient. The policy also of remodelling schools to bring them up to date as regards ventilation, lighting, &c., has added much to the comfort and health of the pupils. Primary-school buildings.

The needs of secondary schools and University colleges have not been overlooked, and substantial expenditure was incurred under these headings during the year. Among these may be mentioned the Massey Agricultural College, which was responsible for expenditure amounting to £45,304 for the year; Wellington College, for £22,000 (total amount authorized £52,000); Nelson College Hostel, £4,258 on account of purchase of site, while a further £41,000 has been authorized towards erection of the building. Among the other amounts approved during the year were £25,000 for a post-primary school at Otahuhu; £30,000 for the Wanganui Technical College Hostel, Wanganui; and also sundry amounts for Girls' Homes at Christchurch and Timaru, and a new Boys' Hostel at Mount Albert, Auckland. Secondary-school buildings.

The expenditure on buildings which was charged against Public Works Fund was mainly in respect of mental-hospital buildings and post-offices. The work of providing mental-hospital accommodation has in recent years fallen somewhat into arrear, and an effort was made to bring the accommodation more into line with actual requirements. Post-offices were responsible for £107,393 of the total expenditure, but, as the annual charges on such expenditure are met out of Post Office revenue, there is no charge on taxation. Mental hospital and post-office buildings.

Under the heading of "Irrigation, land and river improvements," the principal items of expenditure were £71,823 in respect of irrigation works in Central Otago and the Poolburn Dam (Ida Valley scheme), and £27,361 on account of the Waihou and Ohinemuri Rivers improvement works, which are now nearly complete. The balance was expended on miscellaneous drainage and flood-protection works, Hauraki Plains settlement works, Rangitaiki land-drainage, and swamp-lands drainage generally. Irrigation, swamp-drainage, &c.

The balance of expenditure on public works includes £46,766 for Defence works, mainly at the Hobsonville Air Base, and £41,765 for immigration, the latter being the lowest annual expenditure since 1920-21. The Government's policy of restricted immigration is still being enforced, and assistance is at present being given only to separated families, single women, juveniles, and domestic servants. It is proposed to continue the restrictions until the unemployment difficulty is overcome. Air base, &c.

Further particulars of all these works will be given in the Public Works Statement. The greater part of the expenditure during the year, however, was incurred in pushing on with the various large works which have now been under construction for several years. I may add that any new capital works that are proposed are subjected to a very careful scrutiny to ensure that no unnecessary or wasteful works are undertaken, as it is realized that all unremunerative expenditure out of loan-moneys results in a continuing liability on the taxpayer in respect of interest and maintenance charges over a long period of years.

AFFORESTATION.

The necessity for conserving the timber resources of the Dominion is fully appreciated by the Government, and the steps taken to this end consist, firstly, in controlling forest-destruction, and, secondly, in the acquisition and planting of additional areas as State forests. Afforestation.

The establishment of plantations by the State Forest Service was considerably accelerated during the past year principally with a view to providing work for the unemployed, and as a result an area of approximately 56,560 acres was added to the Establishment of plantations.

total plantations, which far exceeds the area planted in any one year by any other State in the British Empire. The total area now planted is approximately 253,800 acres, which is also a record for the Empire. At 31st March last the total area under State forests and plantations amounted to about 7,700,000 acres, or approximately 12 per cent. of the total superficial area of the Dominion. The actual expenditure by the Department for the year amounted to £360,813, and the total assets are now valued at over £38,000,000.

LONDON LOAN, 1930.

To enable the Government to pursue its public-works programme during the ensuing year, a loan of £5,500,000, bearing interest at 5 per cent. per annum, was issued in London on the 5th May, 1930. The issue price was £99 per cent., and the loan is repayable at par on the 15th December, 1949. Including redemption of the discount over the period of the loan, the return to investors is £5 1s. 8d. per cent., and the cost to the State £5 5s. 2d. per cent. This cost is about $\frac{1}{4}$ per cent. higher than that of the £7,000,000 loan of January, 1929, but in the interval the financial world had been much disturbed by the boom and collapse on the New York Stock Exchange, the "Hatry" crisis in London, and the demand for gold by European countries, while the supply of capital for long-term investments was also affected by the almost world-wide depression in business resulting from falling prices.

The loan was oversubscribed on the day of issue, and this, in conjunction with the terms of issue, which were substantially better than those of recent issues by other dominions, is a striking proof of our credit abroad.

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

	£
Public works—General purposes	4,500,000
Development of hydro-electric-power works ..	500,000
Construction of and additions to railways and rolling-stock	500,000
	<hr/>
	£5,500,000
	<hr/>

PUBLIC DEBT.

The public debt as at 31st March, 1930, amounted to £267,383,343, the net increase for the last financial year being £3,191,360.

This net increase is much smaller than usual, owing to the fact that £5,379,105 of the £7,000,000 loan of January, 1929, was received during the previous financial year. It may be explained that this £7,000,000 loan wisely raised by the late Sir Joseph Ward much earlier than was customary, was not drawn upon to meet requirements in 1928–29, but the proceeds were carried forward intact into last financial year. The last instalment of the loan, amounting to £1,620,895, was not received until April, 1929, and thus came into last year's debt figures. The real increase in the public debt on account of last financial year was thus the actual net increase of £3,191,360, plus £5,379,105 carried forward, a total of £8,570,465. Apart from conversion operations, which I will deal with presently, no loan was floated in London during 1929–30.

Including the portion of the £7,000,000 added to the debt during the previous financial year, the aggregate of additions to the debt on account of the year was £11,099,325. This amount was raised for the following purposes :—

	£
Public works	7,988,250
State advances	2,144,075
Land-settlement	615,000
State forests	352,000
	<hr/>
	£11,099,325
	<hr/>

Of this total, £7,000,000 was raised in London as aforesaid, the cost being £5 0s. 1d. per cent., allowing for the redemption of the discount and expenses of issue over the period of the loan. The balance of £4,099,325 came from local issues—£1,677,325, mostly at 4 per cent. to $4\frac{1}{2}$ per cent., from departmental investments, and £2,422,000 from the public, £726,620 bearing interest at $5\frac{1}{8}$ per cent. and £1,695,380 at $5\frac{1}{2}$ per cent.

The amount for public works, which absorbed the £7,000,000 London loan, provided for the capital expenditure under that heading previously referred to in this Statement.

So far as State advances are concerned, I may say that the £2,144,075 shown above did not represent the sum total of the additional capital made available during the year, for over £1,000,000 from previous issues was carried forward from the previous year, while the sale of rural bonds—which, of course, do not form part of the public debt—realized £1,114,486. The total amount of new capital paid over to the State Advances Office during the year amounted to £4,340,224. State advances.

As a partial set-off against the new loans raised, debt to the amount of £2,528,860 was repaid during the year, £1,301,897 of which debt was domiciled in London and £1,226,963 in New Zealand.

These repayments were effected as follows:—

	£	Debt-repayment.
Under Repayment of Public Debt Act, 1925 ..	1,158,472	
Under funded-debt agreement with British Government	405,676	
Out of reparation-moneys	258,960	
From Discharged Soldiers Settlement Account ..	425,770	
From other accounts	266,534	
Discount on purchases of stock	9,523	
Raised for redemption, 1928–29, and applied last year	3,925	
	<u>£2,528,860</u>	

The first two items represent the operations under the statutory debt-repayment schemes, the funds for which are drawn from the Consolidated Fund. The funded-debt agreement in question provides for the repayment of an amount (originally £27,532,164, but as at the 31st March last reduced to £24,747,342) due to the British Government on account of advances during the war. The payments, being made on an annuity basis, will result in the whole amount due being repaid by about 1958.

The general debt-repayment scheme, which, apart from certain special exceptions, automatically covers the remainder of the public debt, provides for repayment over a period of approximately sixty years, dating from 1925 in the case of loans outstanding at that time, and from the year of issue in the case of subsequent loans. The scheme operates on an annuity principle like a table mortgage, the greater part of the savings in interest on debt repaid being annually applied to further repayments. Thus the amount available for debt-repayment increases steadily year by year without increasing the total charges on the Consolidated Fund. The funds thus made available are used each year in buying stock and debentures on the market, or for redemption at maturity. A feature of some of the recent prospectuses of our London loans was the provision for the purchase of securities on the market for repayment of debt. Since the inception of the scheme to the 31st March last £5,036,036 of debt has been repaid under this scheme at a cost of £5,008,399.

The repayments during the financial year included £1,097,744 of war debt, which over the past eight years has been reduced by a total of £12,462,148, or approximately 15 per cent. War debt.

During 1929–30 the balance of the 4-per-cent. consolidated stock which matured 1st November, 1929, was disposed of in a manner that cannot but be regarded as satisfactory in view of the financial conditions that obtained during the year. A total of £11,656,856 was still outstanding on the 1st April, 1929. During the Conversion operations.

early part of the financial year further parcels of the stock, totalling £1,925,500, were purchased on the London market at prices slightly below par. The funds for these purchases were mainly provided from New Zealand, having been borrowed locally at rates of interest not exceeding $5\frac{1}{8}$ per cent. These cancellations reduced the amount of 4-per-cent. consolidated stock outstanding to £9,731,356.

This was the position on the 14th September, 1929, when a further £5,000,000 conversion offer was underwritten. The terms of the offer were to convert the 4-per-cent. 1929 stock into 5-per-cent. stock to mature on the 1st July, 1945, the Government, however, having the option of redeeming the stock at par on or after the 1st July, 1935, on giving three months' notice. The conversion was at par, but a cash payment of £2, payable on 1st November, 1929, was offered. This offer was taken up by holders to the extent of £3,628,102, and the balance of the £5,000,000 was taken up by the underwriters on the maturity date, 1st November. The offer, of course involved an increase in the interest payable, but that was inevitable in view of the market rates effective at the time. Indeed, the Dominion was fortunate in obtaining conversion on these terms, for the London market at that time was feeling the effect of the boom on the New York Exchange, and shortly after the offer was made the market hardened sharply as a result of the violent disturbances in New York, accentuated by what is known as the "Hatry crisis" in London. The cost of the conversion offer worked out at £5 7s. 3d. per cent.

The balance of the 4-per-cent. consolidated stock, amounting to £4,731,356, was redeemed on the maturity date, the whole of the necessary funds being provided from New Zealand. £4,047,235 of the amount was obtained from the proceeds of local issues, partly for departmental investments (mostly at 4 per cent. interest), and partly to the public, at $5\frac{1}{8}$ per cent. interest; £672,000 came from public-debt-repayment moneys and £12,121 from special sinking funds.

Summary.

To sum up all the operations concerned therein, the £29,490,852 of 4-per-cent. consolidated stock was disposed of as follows:—

	£
Converted into other stock	21,759,496
Redeemed out of the proceeds of special London issues for purchases on the market	575,949
Redeemed out of the proceeds of New Zealand issues in redemption	5,968,786
Redeemed out of public-debt-repayment moneys and sinking fund	1,186,621
	<u>£29,490,852</u>

The stock issued for the first two items mentioned above amounted in the aggregate to £23,074,789, of which all but £31,350 was issued in London, representing an increase in the debt of £739,344. Allowing for the redemption of this amount of additional stock and other expenses of conversion over the respective periods of the new stock, the average annual cost of this part of the debt is now £4 19s. 6d. per cent. per annum.

The issues in redemption in New Zealand resulted in no increase in the debt, and the average annual cost of the new securities issued locally is £4 12s. 10d. per cent. Redemptions out of debt-repayment moneys and sinking funds, of course, represent definite reductions of debt.

One result of all these operations is that our external debt was reduced by £6,400,000, which economically means that the Dominion has discharged its obligations to that extent. The redemption of such a large amount of London debt, necessitating the transfer of over £7,000,000 of cash from New Zealand over the period of the transactions, was very favourably commented upon in that financial centre.

Local sales of $5\frac{1}{8}$ -per-cent. securities, aided by departmental investments, provided £5,959,288 of the required funds, the balance for the repayments being

Reduction of external debt.

Local sales.

drawn from revenue and sinking funds. In addition, as previously stated, a considerable amount was also provided out of local resources for State advances, land-settlement, &c.

The Government has been blamed in some quarters for increasing the price of money to the detriment of local bodies, mortgagors, and the community generally, but a moment's consideration will show how absurd are such statements. The Government naturally is anxious to obtain capital for developmental purposes as cheaply as possible, but it must be recognized that the Government has no control over the price of capital any more than over the prices of wool, butter, or anything else that commands a world's market; in fact, nothing is more liquid or more universally in demand than capital. Far from the Government's action being responsible for the increase in the rate of interest, the offer of $5\frac{1}{2}$ per cent. on local issues of Government stock and debentures, made on the 9th January, 1930, was merely recognition of the fact that the price of capital had risen. In other words, the proceeds of the $5\frac{1}{8}$ -per-cent. issue did not provide enough capital to meet requirements, it being quite evident that the money was going elsewhere. Accordingly, there was no option but to increase the rate, and the fact that the $5\frac{1}{2}$ -per-cent. rate has not brought in more capital than is needed indicates that the new rate is not higher than is necessary. While the rate remained at $5\frac{1}{8}$ per cent. it was well known that large amounts in the aggregate were going to Australia for investment, where Government securities were obtainable with a yield of about $5\frac{3}{4}$ per cent. The Government's action probably had the effect of checking this outflow of capital, for the time being at any rate. In addition, the Dominion could not hope wholly to escape the repercussions from the violent monetary disturbances in London and New York, to which I have already referred. In fact, the increase in the rate of interest was postponed as long as possible, and was made only when conditions outside the control of the Government rendered this step imperative. I have dealt with this question of interest-rates at some length because there seems to be a good deal of misapprehension in regard to it. Indeed, one financial firm outside New Zealand, referring to these criticisms, wrote stating that the Government had taken the wisest course in the light of all the circumstances.

To return to the position of the public debt, the transactions during 1929–30 may be summarized as follows:—

					£	Summary of debt operations
Debt as at 1st April, 1929	..	..	..	..	264,191,983	
Add new loans raised—				£		
Ordinary ..	..	..	..	..	3,576,145	
State advances	..	..	..	..	2,144,075	
					<hr/>	
					5,720,220	
					<hr/>	
					269,912,203	
Less redemptions—						
Ordinary ..	..	..	..	..	766,350	
War ..	..	..	..	..	1,097,744	
Discharged soldiers	..	..	..	..	425,770	
State advances	..	..	..	..	238,996	
					<hr/>	
					2,528,860	
					<hr/>	
Debt as at 31st March, 1930	..	..	..	..	£267,383,343	
					<hr/>	

Classification of the Debt.

					£
Ordinary ..	..	..	..	..	154,297,847
War ..	..	..	..	..	69,783,525
Discharged soldiers	..	..	..	..	7,861,886
State advances	..	..	..	..	35,440,085
					<hr/>
					£267,383,343
					<hr/>

Classification of debt.

Domicile of debt.

<i>Domicile of the Debt.</i>					£
London	..	..	..	..	146,580,502
Australia	..	..	..	..	4,276,750
New Zealand..	..	..	..	..	116,526,091
					<hr/>
					£267,383,343
					<hr/>

Reduction in
further capital
expenditure.

While the Government will not hesitate to borrow the necessary capital for purposes considered to be essential for the economic development of the country, I consider that, having regard to the definite tendency for a world-wide decline in price-levels, coupled with the probability that the weight of the debt charges will be further increased through having to renew maturing loans at higher interest-rates, we have now reached a stage when great care must be exercised in determining what additional works should be undertaken with borrowed capital. Loan-money used for State advances and other purposes that are earning full interest obviously imposes no burden on the taxpayers as such. On other items of capital expenditure, where there is only a partial recovery of interest, and in some cases no direct recovery whatever, the expenditure may be really productive, in that the wealth and earning-capacity of the community may be increased as a result of such capital expenditure by more than sufficient to offset the relative burden on taxation for loan charges. Still, such indirect returns are very difficult to measure, and in order that the relative burden on the taxpayer may not be unduly increased to the detriment of the Dominion generally new works of this class should henceforth be undertaken very sparingly and only after very careful consideration of the likely financial results. In other words, further capital expenditure must be restricted as far as is feasible to directly productive purposes. This will give greater point to the somewhat involved question of what should be provided out of capital and what out of revenue. Even in the commercial world this question is on occasions the subject of diverse opinions, but in State finance, where the public interest—and not profits—is the broad aim, the problem is much more difficult of solution. One aspect of the matter is that some things which may quite legitimately be provided for out of loan capital up to a certain stage of development should later be borne as a charge against revenue. In this connection it would appear that we have about reached the stage when a start should be made in the direction of providing out of revenue for the cost of financially unproductive works. Of course, additional burdens cannot be placed upon the Consolidated Fund in a year like the present one, but, as finances permit, I consider that a move should be made in the direction indicated.

In short, so far as borrowing is concerned, the Government will endeavour to arrange its programme of development in such a way that the debt charges on the loans raised for the various purposes will be absorbed without causing any financial embarrassment. At the same time every effort will be made to ensure that 20s. of value materializes for every £1 expended.

Departmental
balance-sheets.

Departmental balance-sheets on commercial lines, showing the detailed costs of the various State activities, have for several years past been presented to this House and published. One of the objects in introducing the balance-sheet system was to obtain a general State balance-sheet which would show accurately and in concise form all the assets held against the public debt and generally the position of the national finances from a commercial viewpoint. A preliminary balance-sheet on these lines has been compiled as at 31st March, 1929, and is included with the remainder of the departmental balance-sheets as at that date, published in Parliamentary Paper B.—1, Part IV.

STATE ADVANCES OFFICE.

State advances.

The substantial benefits accruing from the activities of the State Advances Department have been made increasingly manifest to borrowers during the past year. Applicants to the number of 6,754 received loans amounting to £6,923,807.

This sum is almost double the amount advanced during the previous financial year (viz., £3,481,607), and since the inception of the Department in 1894 constitutes a record. The amount paid over during the year was distributed as follows :—

	Number.	Amount. £
Loans granted to settlers	2,191	2,187,955
Loans granted to settlers under Rural Advances Branch.. ..	779	1,406,860
Loans granted to workers	3,776	3,323,412
Loans granted to local authorities	8	5,580
Total	6,754	£6,923,807

From the 10th December, 1928 (when the Government assumed office), until the 31st March, 1930, the sum of £5,563,885, which includes £1,565,950 obtained by the issue of bonds on the assets of the Rural Advances Branch, was added to the capital of the Department. With this additional capital the Department has been able to meet all the demands made upon it. During this period loans totalling £4,219,895 were granted to 3,495 settlers, £3,851,452 to 4,413 workers, and £5,580 to eight local authorities, making a grand total of £8,076,927 granted to 7,916 applicants; a record of financial assistance given on the easiest terms possible, which has undoubtedly done much, both directly and indirectly, to promote the welfare of the people of the Dominion.

Rural advances
bonds.

Great assistance has been rendered to many more farmers by enabling them to place the capital liability of their farms on long-term mortgages with more favourable rates of interest, and by providing money for improving and developing their holdings. In furtherance of the Government's policy of closer land-settlement, many small settlers have also been assisted to take up land.

Assistance to
farmers.

With regard to homes for workers, attention may now be drawn to the fact that, owing to the large amount of money made available for the purpose by the Government since it came into office, the difficulty which previously existed amongst workers of finding homes for themselves and their families has disappeared. In addition, the money provided has furnished work for a very large number of persons, including builders, carpenters, painters, plumbers, and other tradesmen, who may otherwise have been out of employment.

Advances to
workers.

After making provision for loan charges and income-tax, the net profit for the year under the Settlers Branch was £32,742, equal to 3s. per cent. on the capital employed; under the Rural Advances Branch, £5,669, equal to 3s. 3d. per cent. on the capital; under the Workers Branch, £9,588, equal to 1s. 4d. per cent. on the capital; and under the Local Authorities Branch, £648, equal to 6d. per cent. on the capital.

Profits of the Office

Although the profits for the year are satisfactory, in that they demonstrate, on the one hand, that the State Advances portion of the public debt imposes no burden whatever upon the taxpayer as such, it will be seen that the margins of profit in the several branches of the Office are small relative to the amount of capital employed, and demonstrate, on the other hand, that the capital is being lent as cheaply as possible and that at present there is no margin for a reduction in the rate of interest to borrowers. All profits made are transferred to the State Advances Office Sinking Fund, which really constitutes the Reserve Fund of the Office; for in the ordinary course no sinking fund is required, because the capital is not permanently sunk, but is being repaid all the time by the settlers and workers. The Reserve Fund for these branches of the Office now amounts to £1,738,684, but this amount is not over large in relation to a capital liability of £41,470,242. In a business of this kind the desirability of having a substantial Reserve Fund in the interests of financial stability will be appreciated by all, especially when the comparatively narrow margin of security on which loans are granted is remembered, and the probability that as loans mature on the London market higher rates of interest will have to be paid on renewals. Even so, the record of the Office to date is a monument to the political courage and financial wisdom of the late Right Hon. Sir Joseph Ward, who was responsible for the institution of the State Advances Office in 1894.

RURAL INTERMEDIATE CREDIT.

Rural intermediate credit.

Before leaving the subject of financial assistance to settlers, I would like to refer briefly to the operations of the Rural Intermediate Credit Board, which was established for the purpose of providing funds for farmers at reasonable rates of interest, and on convenient terms regarding repayment of the principal.

In addition to granting loans direct to farmers on the security of their stock, chattels, or on the guarantee of dairy companies or other institutions, there has been a marked development recently in the alternative system of obtaining loans by the formation of rural intermediate credit associations composed of farmers who join together for the purpose of obtaining finance from the Board. During the past year twelve additional associations were formed, bringing the total number now in operation throughout the Dominion to thirty-three, whilst several other associations are in course of formation.

Increased loans.

By the passing of the Rural Intermediate Credit Amendment Act of last session, the maximum loan which may be granted to any one farmer was raised from £1,000 to £2,000, and this extension has greatly assisted in developing the system, particularly in sheep-farming and grain-growing districts, where the increased facilities have been fully availed of.

At the 30th June, 1929, the Board's total advances outstanding amounted to £165,480, and it is gratifying to record that up to the present, repayments have come to hand in a very satisfactory manner.

Generally, it can be stated with confidence that the rural intermediate credit scheme is proving a decided success, and contains great possibilities of further benefit to the primary industries of the Dominion.

LAND-SETTLEMENT.

Land-settlement.

As practically the whole of the Dominion's income is derived from the export of her primary produce, the importance of successful land-settlement cannot be overestimated. The Government fully realizes the significance of this, and since taking office has left no stone unturned to assist in obtaining greater returns from the land. Increased production with decreased costs—this is undoubtedly the way out of the present economic depression and a condition precedent to a permanent solution of the unemployment problem.

Utilization of idle Crown lands.

First of all, the Government realizes that all idle Crown lands suitable for farming should be made productive as soon as possible, and to this end large areas of land have been offered for selection. During the seventeen months ended the 30th April last no less than 545,100 acres of all classes of rural and suburban Crown lands were selected under various tenures, the number of subdivisions being 2,549. It is anticipated that some 161 additional farming sections will be offered for selection by the 31st July.

Full advantage is being taken by the Government of the amendment passed last session to the Land Act, regarding the development of unoccupied Crown land, and, as an example of the vigorous progress made in this connection, I would direct the attention of honourable members to two blocks comprising an area of 3,000 acres which will soon be thrown open for selection. The first is an area of 2,000 acres, of good pumice land, known as the Ngakura Block, about fifteen miles from Rotorua, where the preliminary work in connection with breaking in the land is now almost completed. The other block comprises an area of 1,000 acres, at Te Kauwhata, which formerly consisted of a wattle plantation. Good progress has been made with the stumping, and a large portion of the area has been ploughed preparatory to cutting up into selections of suitable area.

Development of Native lands.

The Government's progressive policy in this connection has also embraced Native lands, and at the present time intensive work is being carried on under fourteen separate development schemes, while preliminary operations are being undertaken on eleven other schemes which it is proposed to prosecute immediately, the total area involved being 54,000 acres, principally in the North Island. All labour employed on these schemes is provided by the Maoris, who will eventually be selected as the settlers to whom the land will be allotted when developed and subdivided into suitable holdings.

Secondly, while pushing ahead with the breaking-in of idle Crown lands, the policy is being pursued of purchasing private estates that can be acquired at prices which will allow of profitable farming operations after subdivision has been effected. A particularly close watch is being kept on the economic aspect of the matter in order to prevent anything in the nature of a land boom. Purchase of private estates.

The number of properties purchased for ordinary land-for-settlement purposes since the United Government came into office is thirty, comprising an area of 55,592 acres, involving a total purchase-price of £525,000, and providing a total of 149 subdivisions. Seventeen of these settlements have already been offered for selection, and the subdivision of the remainder is being rapidly proceeded with. In addition to these areas, eleven properties were purchased on behalf of forty-six applicants under the group-settlement scheme authorized in terms of the Land Laws Amendment Act, 1928 (Part II). The total area so purchased was 8,415 acres, and the total purchase-price £131,000. These lands are being subdivided into holdings of suitable areas. In addition, of course, large estates are from time to time being cut up by private owners.

Thus it will be seen that the Government has a very creditable record in the encouragement of both intensive and extensive cultivation of the land, and at the same time, by placing additional settlers on the land, the unemployment problem is relieved to a considerable extent. In this connection it should not be overlooked that every additional family placed on the land means increased business for the towns and a larger market for our secondary industries, which, of course, are practically confined to internal trade.

AGRICULTURE.

As I have already indicated to honourable members when dealing with land-settlement, the Government is fully seised with the necessity of obtaining increased returns from the land by improved farming methods combined with decreased costs, elimination of waste, improved quality, and widened markets. Especially is this necessary at the present time to compensate for the reduced national income consequent upon the lower prices obtained in the world's markets for our primary produce. To this end the Government has made available for the man on the land the whole of the resources of the Departments of Agriculture and Scientific and Industrial Research, and as a practical farmer I have no hesitation in saying that the services of these Departments have been readily availed of, and have proved of very material benefit to the farming community generally. Excellent work has been accomplished of late in promoting improved practices in grassland farming, and largely to these improved practices must be attributed the increased sheep-carrying capacity of the land and the rise of butterfat yield to an average of over 220 lb. per cow for the whole of the Dominion. Another far-reaching recent development is the system of certification of seeds of the major field crops, such as pasture grasses, wheat, and potatoes, thus ensuring propagation of the best strains. On the scientific side, investigations have been undertaken into such problems as the destruction of noxious weeds, the health and nutrition of animals; wheat, seed and plant research, and kindred subjects. Agriculture.

Special attention has been paid to the dairy industry, which, at the present time, is responsible for a large proportion of our national income, the necessity for this being emphasized by the fact that at no time previously have the Dominion's dairy exports encountered such serious competition in the world's markets. Also the possibilities of placing the pig industry on a more remunerative basis, the problems connected with the cold storage of meat, butter, cheese, and fruit, and the difficulties at present experienced with regard to the flax industry, are all matters which are being investigated by the Government's direction. Dairy industry.
Pig industry, &c

Increased production and improved quality of our primary products are the main objectives of the Government's activities in this connection, and the results which have been achieved, I consider, fully justify the expenditure incurred.

SECONDARY INDUSTRIES.

Secondary industries.

Complementary to land-settlement, there is the development of our secondary industries. Owing to our geographical position and distance from the world's markets we cannot expect in the meantime to develop an export trade in manufactured goods, but honourable members will agree that the requirements of the local market are sufficient to justify a more extensive development of our secondary industries than obtains at present. Moreover, this country could support and keep employed a much larger population if greater support were given to the local industries.

State assistance.

The Government has given serious consideration to the problem and has already assisted to a considerable extent. In this connection I might mention on the technical side the investigations conducted by the Department of Scientific and Industrial Research into the leather industry, the low temperature carbonization of coal, and the profitable utilization of slack coal in the form of briquettes, &c.

On the financial side, in addition to the considerable assistance given by the imposition of Customs duties on imported goods, the Government is giving a bounty for the successful production of iron and steel within the Dominion, and also offering a bonus in connection with the utilization of by-products of coal. The Government has also borne the expense of several inquiries into local industries, as, for instance, the Timber Industry Committee, which inquired into the possibility of greater utilization of New Zealand timbers for building and other purposes, and the Footwear Committee, which dealt exhaustively with the problems facing that industry.

EDUCATION.

Education.

As indicated in last year's Budget, the Government is of opinion that the educational system of the Dominion should be developed on more practical lines than have obtained in the past. I mentioned in the earlier part of this statement that practically 99 per cent. of our exports, and consequently the greater part of our national income, is derived from the sale of primary products, so that it is evident that adequate provision should be made in our educational system for tuition in subjects relating to such industries.

Select Committee.

The Select Committee on Education which was set up last session has now completed its investigations into the education system of the Dominion, and its report has now been received. Included in the matters which have been inquired into is that of co-ordination in administration. In some districts, for instance, there are three separate controlling bodies (Education, High School, and Technical School Boards), each with separate staffs and offices. It should be possible to avoid this overlapping without impairing the efficiency of the administration. Another problem is that of reorganization of schools, whereby the break between primary and secondary education will occur earlier than at present. As regards these and other matters of an important nature, however, action is being withheld until the Committee's report has been considered by the Government.

Consolidation of country schools.

Further progress was made during the year in the consolidation of country schools, and in districts where local opinion has been favourable, the extra expenditure inconsiderable, and the conditions suitable, the small schools have been closed down and the children conveyed daily to large central schools, where the pupils have the advantage of instruction by more qualified teachers and in better equipped schools. Conveyance of the children by motor-vehicles to the central schools is, where possible, arranged by contract, but in some cases Government buses are provided.

Correspondence school.

The correspondence school continues to minister to the needs of children in isolated localities. It is pleasing to note that a high standard is maintained, and the pupils of this school can compete successfully with those from the ordinary schools. During the year a secondary department was commenced, and three courses have been provided—a general course with an agricultural trend, a course leading to the Public Service Entrance, and another to Matriculation.

Backward children.

The educational needs of backward children are not neglected, and the establishment of special classes for such children has been continued. Tuition along very practical lines is being given, and it is gratifying to note the satisfactory results obtained.

UNEMPLOYMENT RELIEF.

The Government is much concerned that many of our people are still suffering the mental and physical hardships resulting from unemployment. The cure lies in far-reaching measures which will enable the additional labour to be employed with profit in private enterprise. So far as New Zealand is concerned, land-settlement must be the chief field of operations, but to get new settlers satisfactorily settled on the land is a matter that, given the best will in the world—and the Government has that—is going to take some time. In the meantime the Government, with the assistance of the local authorities, is doing its utmost to provide as much relief work as possible.

Unemployment
relief.

The problem of unemployment is not by any means peculiar to New Zealand, but has affected all parts of the civilized world to a more or less extent, and basically seems to be due to the economic upheaval caused by the recent war, followed by a falling world price-level. The latest available statistics show that the proportion of unemployed to the total population is 1 in 38 for Great Britain and Northern Ireland, 1 in 102 for the Commonwealth of Australia, whereas in New Zealand the proportion is 1 in 476. While this Dominion is therefore considerably better off than the majority of other countries, the Government has not relaxed its efforts to place the matter on a satisfactory basis. In so far as New Zealand is concerned, the position of our overseas trade is undoubtedly accentuating the problem of unemployment. Reduced returns for our primary exports result in diminished spending-power within the Dominion, and consequently reduced demand for labour. While the Government is unable to control the world price-level, every endeavour is being made to balance the deficiency in income by encouraging further production. Additional Crown land has been brought under cultivation, numerous areas have been purchased and cut up for closer settlement, and scientific investigations are being undertaken on behalf of farming interests.

Recognizing, however, that relief measures are necessary in the meantime, the Government issued instructions that as much employment as possible is to be provided by the Departments of State. In addition, the unemployment relief works undertaken by local authorities are subsidized by the State. For the most part, men on Government relief works have been employed on road and main-highways construction, afforestation, railway-construction, land-improvement, and irrigation works. These are all useful and necessary developmental works, and, where possible, the men are employed on the co-operative principle and paid by results, to ensure as far as possible that the taxpayers receive value for the expenditure incurred and the workers a reasonable reward for their labour.

Employment
provided on public
works.

The expenditure by the Government on unemployment relief last financial year amounted to £1,415,592, an increase of £612,882 over that of the previous year, as follows :—

Expenditure

	1929-30.	1928-29.
	£	£
Public Works Department (including main highways)	914,000	680,393
State Forest Service	185,400	50,250
Lands Department	19,725	3,500
Railway Department	184,739	..
	<hr/>	<hr/>
	1,303,864	734,143
Subsidies to local authorities ..	111,728	68,567
	<hr/>	<hr/>
	£1,415,592	£802,710
	<hr/>	<hr/>

At the 31st March last there were 16,197 men employed on public works, as compared with 13,694 on the 31st March, 1929, and the highest weekly number during last year was 16,354, as against 14,544 during the previous year.

In order to co-ordinate the various relief schemes throughout the Dominion, the Government recently reappointed the Cabinet Unemployment Committee (consisting of the Ministries of Lands, Public Works, and Labour). It is the duty of the Committee to expedite the prosecution of the relief works that have been approved, and, as far as finance will permit, to put in hand additional schemes as they are required.

Cabinet
Unemployment
Committee.

The special Committee, on which the employers and labour were represented, set up by the Reform Government to investigate the problem of unemployment, was asked to continue its investigations, and has now submitted its final report, which has received the careful attention of the Government. Legislation is now before the House giving effect to the main recommendations in the Committee's report.

Unemployment Bill.

Concerning the subsidy to be paid to the Unemployment Fund out of the Consolidated Fund, under the provisions of the Bill, I have to say that as the proposed scheme will be in operation only for the last three months of the financial year and that period is the best time of the year from the point of view of employment, it is considered that very little, if anything, will be required from the Consolidated Fund this year over and above the cost of the present relief measures. Accordingly, no special provision has been made in this Budget for payments into the Unemployment Fund. Next year, of course, this additional burden on the Consolidated Fund will have to be taken into account in preparing the Budget.

Increased subsidy to local bodies.

Finally, in order to encourage local bodies to provide relief works adjacent to the workers' homes, and thus obviate as far as possible the necessity for sending married men with large families to unemployment relief works in the country, the Government recently decided to increase the subsidy per £1 on labour-costs from £1 to £2 in respect of works undertaken in urban and suburban districts, and financed from loans or ordinary revenue. The increased subsidy has already been considerably availed of, and, although it will result in increased expenditure of State funds, it will do much to relieve the position during the ensuing winter months.

REPARATIONS.

Reparations.

A further contribution to the peace of the world was recently made when, at the Hague Conference held in January last, satisfactory agreements were reached in the matter of reparations, representing, it is confidently hoped, a complete and final settlement, in so far as Germany is concerned, of the financial questions resulting from the war.

The Treaty of Peace concluded at Versailles in 1919 did not deal conclusively with the matter of reparations in its financial aspect, apart from placing on Germany the moral responsibility for all damage sustained by the Allied countries.

The Reparations Commission set up in terms of the Treaty assessed the total amount payable by Germany at approximately £6,600,000,000 (equal to 58 per cent. of the claims), and apportioned that amount amongst the Allied countries according to the losses sustained by each. Great Britain's share (which includes the dominions) was fixed at 22 per cent. of the total.

Various Committees of Inquiry (Balfour, Dawes, &c.) have been set up from time to time to consider problems arising out of the reparations, such as the amount and period of the annuities, methods of payments in kind, &c., and the last such committee, known as the "Young Committee," submitted recommendations which resulted in the Hague Conference, at which a number of agreements were approved and signed by representatives of the nations concerned. These agreements provide not only for the definite settlement of the reparation liabilities of the German Government and for the constitution of the Bank for International Settlements, but also for the settlement of the reparation liabilities of Austria, Hungary, and Bulgaria. These agreements taken together represent a general liquidation of the financial questions raised by the war and the subsequent Treaties of Peace and will, it is hoped, ensure the definite return of Europe to normal financial and economic conditions.

New Zealand's position.

Briefly, in so far as New Zealand is concerned, the position is now as follows:—

- (a) Germany is required to discharge her reparations debt by thirty-six annuities, commencing at £85,000,000 and increasing each year to £121,500,000, an average over the period of £99,500,000. Of this average annuity approximately one-third is unconditional, and the balance is conditional upon the state of trade in Germany, and under certain conditions may be postponed.
- (b) The British Empire's share of the average annuity of £99,500,000 is approximately £20,450,000, of which the amount payable to New Zealand is £351,300. The present value of this amount compounded for thirty-six years at 5 per cent. per annum is approximately

£5,812,900, and this, together with the payments already received (£1,750,000), is the cash return that New Zealand may expect towards reimbursing her for the losses incurred as the result of the war. In addition to the cash return there is, of course, the value of the reparation estates in Samoa, which are now the property of the Dominion.

- (c) To the capital of the newly constituted Bank for International Settlements the Government recently agreed to contribute the sum of £22,566 out of reparation-moneys received from Germany. The capital is required to enable the Bank to conduct exchange operations and to provide part of the administration expenses.
- (d) A separate agreement has also been concluded between Germany and New Zealand whereby all German property in New Zealand remaining unliquidated at the date of the agreement will be returned to the German nationals concerned. The value of the property to be returned, subject to certain claims, is approximately £21,000, and this amount is at present held by the Public Trustee as Custodian of Enemy Property. The New Zealand Reparation Estates in Samoa are deemed to have been finally disposed of, and in terms of the agreement are to be retained by the New Zealand Government.
- (e) With a view to capitalizing a portion of the German reparation annuities, a total loan of approximately £60,000,000 was recently raised abroad, London contributing £12,000,000. An opportunity was given to place portion of the loan on the New Zealand market, but the Government deemed it advisable to decline the offer. New Zealand's share in the proceeds amounts to approximately £74,000.

GOVERNMENT TRADING DEPARTMENTS.

With the exception of the railways, which I will deal with shortly, all the Government trading departments closed the year with profits.

Trading
departments.

The Post and Telegraph Department, after allowing for depreciation and other reserves, earned a net profit of approximately £10,000. As an indication of the volume of business transacted, I might mention that the total cash receipts amounted to £3,641,619, and the payments to £3,111,199, including the sum of £481,000 paid to the credit of the Consolidated Fund as interest on capital. A further sum of £500,000 was carried to the reserve for the renewal and replacement of telegraph and telephone equipment. Owing to the comparatively short life of this class of asset, a substantial sum requires to be set aside each year in order to apportion the cost of such replacements and renewals equitably over the working-life of the equipment. The Department, however, is not reducing profits by reserving more than is actually required, and even on the present basis the rate of depreciation charged is substantially less than that allowed by telephone companies overseas.

Post and Telegraph
Department.

The savings-bank business conducted by the Department continues to be popular with the general public of the Dominion. The deposits for the year amounted to £28,561,854, and the withdrawals to £29,575,994. The withdrawals exceeded the deposits by £1,014,140, compared with £859,559 for the previous year. The interest credited to depositors amounted to £1,806,414, as against £1,745,050 for the previous year, so that notwithstanding the heavy withdrawals the accumulated funds show an increase of £792,274, the balance at credit of depositors on 31st March last amounting to £49,436,491.

Post Office
Savings-bank.

The Post Office Investment Certificates sold by the Department are becoming increasingly popular for the investment of the savings of people with small means, and the sales for the year under this heading amounted to £639,000.

Post Office
Investment
Certificates.

The rapid progress of the Public Trust Office was more than maintained during the year. The value of estates and funds under administration on the 31st March was £53,049,437—a further record for the Office—new business amounting to £8,473,916 having been accepted throughout the year.

Public Trust Office.

The net profits for the year totalled £13,256, and in considering this amount account must be taken of the substantial reductions made during the year in

Profits.

respect of administration charges and Office fees generally. In accordance with the amending legislation passed last session, half the net profits of the Office are now paid to the Consolidated Fund.

Investments.

The investments during the year totalled £4,216,590, consisting chiefly of loans to local authorities for public-utility works, to farmers for the acquisition and development of their holdings, to business men for the erection of buildings, and to city and town dwellers for the acquisition or building of homes.

Government Life Insurance Department.

The Government Life Insurance Department's operations resulted in a net cash surplus of £222,540, of which the sum of £214,188 was allocated for division amongst policyholders in the form of reversionary bonuses. The new business for the year amounted to £1,918,600—the highest in the history of the Department—while the cost of management was reduced, the percentage of expenses to total income falling from 9·35 per cent. in 1928 to 8·8 per cent. in 1929.

State Fire and Accident Insurance Office.

The operations of the State Fire Insurance Office for the year also constituted a record, both the total income and the total profit being larger than for any year previously, being £261,104 and £78,276 respectively.

The Accident Branch of the State Fire Insurance Office also experienced a record year, a total profit of £18,066 being shown in the annual accounts.

All the foregoing offices pay both land and income tax, and legislation will be introduced this session providing for the charging in addition of license fees and stamp duty on cheques. Thus, in future, all these trading departments will be subject to similar taxation as obtains in the case of trading companies.

State coal-mines.

The State coal-mines earned a net profit of £15,856 for the year, in spite of the difficult trading conditions which obtained, and the total profits earned since inception now amount to £179,174.

Full details of the operations of the Government trading departments will be given in the annual reports of the Departments concerned, but I have dealt with the matter here for the purpose of correcting the popular impression that Government trading activities result in a loss.

EARTHQUAKE DISASTER.

1929 earthquake.

As a result of the serious earthquake that occurred on the 17th June, 1929, considerable expenditure has been incurred in restoration work in the districts affected. The Government took immediate steps to restore roads, bridges, railways, public buildings, &c., the first objective being the making of tracks as temporary means of access to settlers cut off as a result of the calamity. Arrangements were later made for the reopening of main roads and for the restoration of public buildings. This has necessarily involved the Government in considerable additional expense, and up to date the expenditure out of revenue has been £155,252, and from the Public Works Fund out of capital £24,878. This does not represent the total cost to the Crown, as expenditure is still being incurred, particularly in connection with the reconstruction of roads, &c.

Earthquake Relief Fund.

In regard to the administration of the Earthquake Relief Fund, which was comprised of subscriptions received from the public for relief of distress in the affected areas, a central committee was established for the purpose of co-ordinating the activities of local relief committees, and excellent work has been done by the various committees concerned. The resources of the Government were utilized for the purpose of providing reports for the local committees in connection with applications for assistance from the relief funds.

Central Committee.

The Central Earthquake Committee, on the recommendations of the local committees, has authorized grants totalling £81,118 for the restoration of damage and as compensation for loss, but the payment of these grants is not yet completed. The committees have adopted the wise precaution of withholding payment of grants until the work for which assistance has been provided has been substantially completed by settlers, which explains why the fund has not yet been closed.

Assistance has also been provided out of relief funds in the way of sustenance allowances for those settlers who have been deprived of the use of their holdings through lack of access, and in some instances this assistance is still being given, while local committees have also provided assistance for refugees from the affected districts. It still remains for the Central Committee to make permanent provision for widows and dependants of persons killed as a result of the earthquake.

It is indeed gratifying to record the magnificent public response for the relief of distress, the total subscriptions being in excess of £147,000. The distribution of this sum in the devastated area has helped in a very real measure in the work of restoration. Public subscriptions.

STATE SUPERANNUATION FUNDS.

The unsatisfactory financial position of the several State superannuation funds—Superannuation funds. *i.e.*, Public Service, Teachers,' and Railways, was drawn attention to in last year's Budget, and, as I have already indicated, the Government directed that additional subsidies amounting to a total of £175,000 were to be paid to the credit of the Public Service and Teachers' Funds during last financial year. This has had the effect of improving the position to some extent, but there is still a large amount required to place the funds on a sound actuarial basis.

In accordance with the Government's promise, a Committee has been set up, consisting of the Public Service Commissioner, the Financial Adviser to the Government, and a representative of each of the superannuation funds. The Committee has been directed to investigate the whole position and report to the Government on the state of the funds, and generally what action is considered necessary to place the matter of superannuation for the public services on a sound and satisfactory basis.

The Government is accordingly withholding further action until the Committee's report is received.

RAILWAYS.

As has already been announced, the Budget difficulties for the current financial year have been greatly increased by the fact that the Railways have now reached a position when, on the present basis of operations, they can no longer meet the interest payable on the capital invested therein. As the total of the contribution to Railway capital from revenue, amounting to £8,100,000, has already been written off the capital is now represented almost entirely by loan-money. The interest on the whole of the public debt, including that on the £51,000,000 invested in Railways, is paid out of the Consolidated Fund. The approximate amount of the interest on the Railway portion of the debt has, in the last few years, been recovered from the separate Working Railways Account, notwithstanding the heavy losses which have been incurred by the Railways. The position will, I think, be more clearly understood if I briefly review the financial history of the Railways during the past five years. New Zealand Government Railways.

Prior to 1925-26 the Railway accounts formed part of the Consolidated Fund, and the excess of revenue over working-expenses, though not specifically appropriated for that purpose was, as part of the common pool, available to meet, as far as it would, the interest payments on the relative portion of the public debt. In this way any shortage in the earnings of the Railways was automatically made good each year out of taxation. As a standard the Railways were expected to earn $3\frac{3}{4}$ per cent. on the capital, although the actual interest cost was higher than that. Under these arrangements no reserves were set aside to provide for renewals and depreciation of assets, but losses were met as they accrued, although the amount of the losses was not disclosed by the accounts.

Arising out of the report of the Fay-Raven Commission of 1924, the Govern- Fay-Raven Commission. ment of the day, with the avowed object of placing the Railways on a commercial basis, passed legislation separating the Railway finances from those of the Consolidated Fund. Reserves were to be built up for renewals and depreciation, and interest at the average cost per cent. of the capital was to be paid each year to the Consolidated Fund, which, however, was to pay back to the Railways the amount of losses on branch lines and isolated sections. An amount of £1,327,649, representing surplus earnings from former years, after deducting the policy rate of interest, was handed back to the Railways as working capital and a general reserve. Such were the arrangements made.

Interest-rates were fixed at $4\frac{1}{8}$ per cent. in respect of the bulk of the capital derived from the Public Works Fund, and at the average of the actual rates on the special loans raised under the Railways Improvement Authorization Act, 1914, Interest on Railway capital.

which rates averaged £5 3s. 9d. per cent. in 1925, but the average has since declined to £4 15s. 4d. per cent. As the average rate on the public-works loans has been increased by the recent big conversion operations in London, the rate of interest on the capital drawn from the Public Works Fund was increased to $4\frac{1}{4}$ per cent., as from the 1st April, 1929. If the subsidies on the branch lines and isolated sections, which increased from approximately £360,000 for 1925–26 to just on £500,000 for 1928–29, are deducted from the interest receipts from the Railways for those years, the effective interest charges worked out at less than the former policy rate of $3\frac{3}{4}$ per cent. After taking credit for the subsidies the Railways showed approximate results as follows: 1925–26, £79,000 profit; 1926–27, £100,000 loss; 1927–28, £291,000 loss; 1928–29, £433,000 loss.

Subsidy on branch lines, &c., discontinued.

Consequent on legislation passed last session, the subsidy on branch lines and isolated sections was discontinued as from the 1st April, 1929, although a payment of approximately £30,000 was made during the year on account of subsidies due and outstanding on account of the previous financial year. The loss to the Railway accounts, however, was offset to the extent of £344,250 by reducing the capital on which interest is payable by £8,100,000. Even so, the loss for 1929–30 amounted to £1,211,269.

Revenue and expenditure.

The gross revenue of the Department amounted to £8,288,116, as compared with £8,249,038 for the previous year, and working-expenses to £7,358,859, as compared with £6,849,383 for the previous year. The revenue from passenger traffic showed a comparative decrease of approximately £130,000, due to the fact that the revenue for last year received little or no benefit from any Easter traffic, whereas the previous financial year received the revenue from the holiday traffic for two Easters. As indicated above, however, the decrease in passenger revenue was more than offset by increases under other heads.

Comparative increase in expenditure.

The comparative increase in expenditure, amounting to £509,476, was due to the necessity of overtaking the arrears of maintenance of rolling-stock which had accumulated during the reorganization and reconstruction of the locomotive workshops, a considerable increase in the quantity of coal used owing to the difficulty in obtaining supplies of the requisite standard of quality from Australia, a large increase in the train-mileage run, and additional work undertaken to assist in relieving unemployment.

Loss for year.

The net revenue for the year was thus £929,257, as compared with £1,399,655 for the previous year. Interest charges amounted to £2,132,324, leaving a deficiency on the year's operations of £1,203,067, to which must be added an adjustment of £8,202 on account of the previous year, making the total deficiency £1,211,269.

Accumulated losses.

The net accumulated loss in the Railway Accounts for the five years amounted to approximately £1,956,000, but up to the end of last year the losses have been met out of the working capital and reserves created. Apart from a cash advance of £150,000 from the Consolidated Fund to enable the Railways to complete the payment for last financial year, the interest due to the Consolidated Fund has been paid each year out of the cash resources of the Railways, and the losses incurred, apart from those on branch lines and isolated sections, did not fall upon the taxpayers. As the liquid portion of the reserves is now exhausted, the Railways, from sheer lack of cash resources, must fall short in their interest payments by the amount of net loss for the ensuing year, estimated on the basis of last year's operations at about £1,300,000. The interest on the relative portion of the public debt will, of course, be paid in the usual way, so that the extent of the Railway shortage will this year mean just so much more to be found out of taxation. The Government have already adopted strong measures to minimize this additional burden on the taxpayers, which could hardly have fallen upon them at a more awkward time, coinciding as it has with a heavy fall in Customs and other revenue. The Department has been required drastically to overhaul their estimates of expenditure, which, compared with last year's expenditure, have been reduced by £360,000. This means the curtailment or elimination of unremunerative services, and, while the cutting-down of train-services is regretted, it must be recognized that such action is essential if savings are to be made. The possibilities of increasing the revenue have also received attention, and the steps being taken will, it is estimated, lead to an increase of about £90,000, making a total immediate improvement of

position calculated to reduce the estimated shortage for the year by £450,000. In addition, as previously announced, the Government has set up a Royal Commission, which is now engaged in reviewing all the activities of the Department in order that they may advise the Government where further economies can be effected. The order of reference, which is a wide one, includes the question of obsolescence of branch lines, and also the possibility of improving the position through co-ordination of rail and road traffic.

TRANSPORT.

The heavy loss on the Railways which has now to be met is only part of the loss being incurred through the wasteful duplication of transport services and the general lack of co-ordination in this important economic field. Under modern conditions transport is one of the most important factors in the economic welfare of the community, and the wasteful duplication of harbours, railways, and roads, with the relative duplication of services, can only mean that through higher rates and taxes, and increased prices for commodities and fares, working-costs of the farmers, the manufacturers, and the distributors, and generally the price of goods and the cost of travelling to all sections of the community, are much greater than they need be. Transport.

As was pointed out in the last Budget, the basic cause of the serious financial position of the Railways is undoubtedly motor competition, and the irony of the situation is that this undermining of the earning-power of the public railways has been facilitated by the expenditure of large amounts of public money in building good motor-roads alongside the railways. Motor competition with Railways.

Transport matters have now reached such a position that, in the interests of the whole community, it is essential that far-reaching measures be adopted to bring about some measure of co-ordination in transport. The matter cannot be left to be settled by competition—firstly, because of the huge waste involved, which the Dominion cannot afford, and, secondly, because the competition is not on an equitable basis, in that, while the Railways are expected to pay all costs, the road services are being indirectly heavily subsidized by the ratepayers and the taxpayers. In fact, the whole matter is of such importance that it is imperative to our national prosperity that the means shall be found of rationalizing transport.

The Transport Department set up last year has been collecting and collating all the information and data available, both in this country and abroad. The conclusions emerging from these investigations will be submitted to honourable members in the form of legislation during this session. Transport Department.

As already stated, the Royal Commission which has been set up to go into the question of effecting economies in the Railways will consider the problem of co-ordinating road and rail services. It must be admitted that this problem has a very definite bearing on the Railway question.

HIGHWAYS.

There is no doubt that the wasteful duplication of transport services has been facilitated by the fact that the roading system has in the past been dealt with as a matter quite apart from Railways. The fact that the highways system has been planned and good motor-roads built with public money, regardless of the effect on the Railways, has undoubtedly been a considerable factor in bringing about the serious financial position of the Railways that has now to be faced. Highways.

Although rapid progress has been made in road transport in recent years, it will, I think, be generally recognized that the Railways must remain as the backbone of the transport system. This being so, road transport, apart from back-country, suburban, and short-distance traffic, should be complementary to rail transport, if the Dominion is to avoid heavy losses and derive the maximum of benefit from both forms of transport. It logically follows that the highways system should as far as practicable be designed to facilitate such co-ordination, especially when both rail and road construction are being carried out with public money, and most of it

borrowed money at that. It is quite clear that the present position cannot be allowed to continue, but the Government propose to defer action until the report of the Railway Commission, which will probably have a bearing on the matter, is received.

Main Highways Account.

In the past the Highways Account, in addition to the proceeds of the petrol-tax, tire-tax, and other earmarked revenues, has also received from the Consolidated Fund an annual grant of £35,000, and from the Public Works Fund £200,000, of capital per annum free of interest. It may here be added that about £25,000 of the total petrol-tax and license fees is paid by Government Departments.

Adjustments of finances.

To assist in meeting the present large shortage in the Consolidated Fund it is proposed to make the following adjustments in connection with the finances of the Highways Account :—

- (a) Discontinue the annual grant of £35,000 from the Consolidated Fund.
- (b) Recover from the Highways Revenue Fund interest on the capital transfers from the Public Works Fund to the Main Highways Construction Fund. Transfers to date amount to £1,226,000, and interest at 5 per cent. on this amount will be recouped to the Consolidated Fund during this and future financial years. I may add that the loans from which the transfers were drawn cost on the average about £5 3s. 4d. per cent. No further transfers to the Highways Account will be made, and in future the whole of the loan capital required for main-highways construction will be raised specially for that purpose.
- (c) Transfer to the Highways Revenue Fund as from the 1st April last the charge for subsidies to local authorities on rates. These subsidies are at present paid out of the Consolidated Fund under the provisions of the Appropriation Act, 1916, and the Municipal Corporations Act, 1920. Subsidies paid last year amounted to approximately £220,000. These subsidies, which were first introduced nearly half a century ago, were intended to assist backward counties and boroughs to improve the roads of the country. The original intention was to pay the subsidies for a period limited to twenty-five years, but they have now become part and parcel of the normal finance of the local authorities. However, as the subsidies are given for roading purposes, and as the incidence for road construction and maintenance has been wholly altered by the advent of motor traction, it is quite appropriate that these subsidies should be a charge against the taxes earmarked for roading purposes.

These financial adjustments will assist the Consolidated Fund to the extent of £316,000 for this financial year. Incidentally, meeting that additional amount of the roading-costs out of the petrol-tax will also assist in the direction of putting road competition with the railways on a more equitable basis.

Total expenditure on roads.

Although the aggregate of the annual expenditure on roading is now approximately £3,600,000, it is considered that up to the present insufficient attention has been given to backblock roads, where more expenditure would greatly assist land-settlement, and be of much benefit to the settlers in outlying districts, who, be it said to their credit, are carrying on under great difficulties. Expenditure on such roads would help the production of the country to a far greater extent than much of the present expenditure. Accordingly, the Government proposes to arrange for a substantial amount out of the proceeds of the petrol-tax to be expended on subsidiary highways through outlying districts each year. This expenditure will assist rather than undermine the Railway revenue.

Increased petrol-tax.

To provide the necessary funds to enable the Highways Account to meet all these liabilities without disturbing the present financial arrangements of the Highways Board, a resolution has been passed increasing the petrol-tax from 4d. to 7d. a gallon. For the remainder of the financial year the additional 3d. a gallon will, it is estimated, bring in £450,000. Of this amount, £316,000 will be required for the liabilities taken over from the Consolidated Fund, leaving £134,000 for additional expenditure on subsidiary highways through outlying districts. In a full year about £350,000 should be available for the latter purpose.

1930—31.

1930—31.

As I have indicated in my opening remarks, the Dominion is once again called upon to face a substantial drop in export prices, which inevitably means a contraction in the national income. Still, we have had to meet similar fluctuations in prices previously, and there is certainly no occasion for alarm.

Partly on account of the falling-off in the trade position, but mostly due to the reaction from Australian conditions, the exchange rates are at present very much against the importers. While there is some consolation in the fact that the exporters are benefiting from the position, and thus obtaining some set-off for the low prices they have received, the combination of the two factors—a contraction in the national income and an exchange rate of at least £5 per cent.—must result in a considerable falling-off in imports, and this, of course, means a corresponding decline in Customs revenue.

Customs revenue.

This, our largest item of revenue, is always difficult to gauge in advance, and at a time like the present, when there are so many uncertain factors to be considered, it presents a very complex problem indeed. Having regard to the experience of the past, and making allowances for the economic probabilities of the near future, it is estimated that the Customs revenue for this year, apart from any changes made in the tariff, will be £1,150,000 less than was received last financial year. The Customs revenue for the first three months of the financial year amounted to £2,006,243, as compared with £1,917,667 for the same period of last year; but an examination of the receipts for this year clearly indicates that the total has been considerably inflated by excessive clearances from bond due to fear of tariff increases. This is clearly shown by the fact that while the Customs revenue is higher, imports have declined. Further, unless a marked change not yet discernible occurs in the economic outlook, it is very probable that the falling-off in Customs revenue will be more marked during the balance of the financial year, for most of the goods now coming to hand were probably ordered before the present restrictive measures became effective.

Imports last year showed a comparative increase of £4,000,000 over those of the previous year. This year a comparative decrease of at least £5,000,000 is likely. Furthermore, the falling-off will assuredly be greatest in the luxury items, on which the duties are highest.

Decrease in imports.

The fall in export prices and the difficult times that have resulted therefrom will also affect the yield from land and income tax, although not to anything like the same extent. So far as income-tax is concerned, the full effect will probably not be felt in the revenue until next financial year. Land-tax, under the present legislation, would be affected by the provision for remissions in the case of hardship, while land-tax outstanding usually increases in times like the present. For the current financial year it is estimated that land and income tax, apart from any changes in the law, will be adversely affected to the extent of about £300,000.

Decrease in revenue.

A loss of £1,300,000 in the Railway accounts, coupled with the exhaustion of the liquid reserves, would mean that only about £900,000 could have been paid to the Consolidated Fund on account of interest, a decrease of £1,230,000 compared with the amount received last year.

In addition, it is expected that the revenue item, "Interest on public moneys," would in the ordinary course have shown this year a comparative decrease of about £60,000, due to there being less money available for investment and to the low rates of interest offering on the London market for short-term investments.

Then the item for miscellaneous revenue was last year increased by £60,000, derived from the sale of New Zealand's interests in the Pacific Cable, a certain accumulation of unclaimed moneys from the Public Trust Office received consequent upon legislation passed last session, and other amounts of a non-recurring nature. Consequently a comparative reduction of about £90,000 was likely this year.

On the expenditure side, under permanent appropriations there will be unavoidable increases in debt charges, amounting, it is estimated, to £315,000, comprising £225,000 additional interest arising out of the increases in the public debt and approximately £90,000 for debt-repayment charges. As I have already explained, the latter item will increase steadily each year, but such increases are offset by savings in interest on debt redeemed.

Increase in expenditure.

A further rigid item is found in pensions, where automatic increases are to be expected. The estimated increase for this year compared with last year's expenditure amounts to £62,000, which increase is chiefly under the headings of old-age and war pensions. In addition, increases are normally to be expected in hospital subsidies and various other items based on fixed rates.

In reviewing the prospective budgetary position no allowance was made for any increase in departmental votes which normally increase a little each year as a result of expanding services. For instance, the Education vote has increased by an average of £90,000 per annum during the last five years.

Summary.

Smaller increases and some decreases, probably largely offsetting one another, were to be expected under other items; but, to sum up the position the Government was called upon to deal with, the anticipated principal variations from last year's revenue and expenditure, if operations had been carried out in the ordinary way on the same basis, are as follows:—

		£	£
Decreases in revenue—			
Customs .. .. .	..	1, 150, 000	
Interest on railway capital ..	..	1, 230, 000	
Land and income tax ..	..	300, 000	
Items other than taxation ..	..	150, 000	
		<hr/>	2, 830, 000
Increases in expenditure—			
Debt charges .. .. .	..	315, 000	
Pensions and other fixed items ..	..	100, 000	
		<hr/>	415, 000
			<hr/>
			3, 245, 000
Less amount of last year's surplus ..			150, 000
			<hr/>
Prospective Budget shortage for 1930-31			£3, 095, 000
			<hr/>

I may mention that the amount of last year's surplus has been deducted not because it can be brought into this year's Budget, but because comparisons have been made with the revenue and expenditure for last year which resulted in a surplus of approximately £150,000.

Total shortage.

An estimated Budget shortage of over £3,000,000, quite apart from any increase under departmental votes—that is what the Government, this House, and the country generally have to face. Still, given the co-operation and support of honourable members and the people, the Government is satisfied that the position can be met and the Budget balanced, as, of course, it must be, without imposing undue hardship on any section of the community, for there is no doubt that the general financial position of the Dominion as a whole is quite sound.

ALTERATION IN BUDGETARY PROCEDURE.**Alteration in budgetary procedure.**

This year a departure was made from the usual procedure in dealing with the estimates, and, after a careful examination of the various votes, only such amount as was considered would be just sufficient to enable them to carry out their proper normal functions efficiently, while exercising continuous rigid economy in detail, was allocated to each Department. In this connection I may say that it is proposed to make this system of allocating amounts to the several votes a permanent feature of the budgetary system. The reductions made mean, of course, that having regard to the degree of hardship likely to result to outside organizations concerned, various subsidies and other less essential and extraneous items have had to be eliminated or considerably reduced. The change has been made with a view to the adoption of the more businesslike principle of cutting the national coat according to the cloth available.

REDUCTIONS IN EXPENDITURE.

The position being as I have stated, reductions in expenditure are the only alternative to heavy increases in taxation. Needless to say, the Government is anxious to avoid increasing taxation as much as possible, and, on becoming apprised of the position, immediately proceeded to review carefully the expenditure. Steps were taken to obtain the greatest possible economy in administration, but, as this is a matter that has already received considerable attention, there is no possibility of making very large savings in that way. Accordingly, the Government made a careful review of the services being supplied by the State—and by “services” I mean monetary assistance granted as well as work done by the Departments of State. It is proposed to curtail or even suspend services where such action is possible without upsetting the basic organization of the Departments or causing undue hardships to the institutions or sections of the community who are directly or indirectly benefiting by particular items of expenditure. In other words, we have to determine what is essential and what is not, and for this financial year, at any rate, eliminate or at least severely curtail the non-essentials. The taxpayers will agree, without doubt, that this is the right course to pursue; but opinions, especially among interested parties, differ as to what is essential, leaving the Government with a rather invidious task. However, in the interests of the country, reductions must be made, and I would now repeat my appeal to the people to view the matter from a national standpoint and support the Government in carrying out an unpleasant duty.

Reductions in
expenditure.

The net expenditure last year amounted, in round figures, to £25,200,000; but, as I explained when dealing with the transactions for the year, the total includes £10,697,000 for debt charges and £2,750,000 for pensions and family allowances, in which items, as I have just stated, increases are to be expected. Then there was £1,509,000 for the transfer of the petrol-tax and other revenues earmarked for Highways, in connection with which I have already announced the Government's proposals to relieve the Consolidated Fund of the charges of £220,000 for subsidies on rates to local authorities, £35,000 annual grant to Highways Revenue Fund, and £61,000 of interest on loan capital for Highways. Apart from these adjustments, however, the amount of the Highways revenue paid out is the amount received, so the balance of the Consolidated Fund is not affected by this item.

The four items I have mentioned—debt charges, pensions, highways moneys, and subsidies to local authorities—account for £15,176,000 of the £17,228,000 of expenditure under the permanent appropriations.

Of the remaining £2,052,000, approximately £690,000 went in subsidies to Hospital Boards on rates, £600,000 being on account of maintenance and £90,000 on capital levies. So far as maintenance is concerned, curtailment of the subsidy, except in so far as it arises from the exercise of economy by the Hospital Boards, is not possible without upsetting the whole basis of hospital finance, and it is not proposed to do that. With capital expenditure, however, there is more elasticity, and for this year capital expenditure by the Boards will have to be restricted to urgent essential works. In this way it is estimated that a reduction of £30,000 will result in the subsidies payable out of the Consolidated Fund.

Subsidies to
Hospital Boards.

Subsidies on voluntary contributions and bequests to hospitals and various educational institutions amounted last year to approximately £80,000. Generally speaking, bequests, together with the subsidy normally payable thereon, are in the nature of “windfalls,” usually additional to the normal finance of the organization concerned; and the same remarks apply to some of the voluntary contributions that are received. Obviously, little hardship will be entailed in restricting the payment of subsidy to cases where voluntary contributions and bequests are applied to essential works. Subsidies on voluntary contributions for useful and necessary work in connection with the primary schools will be paid as heretofore, but, in general, each request for a subsidy will have to be considered on the merits of the case. It is hoped in this way to save £40,000 this year without inflicting any great hardship on anybody.

Subsidies on
voluntary
contributions and
bequests.

Then there are the subsidies to State superannuation funds and the National Provident Fund, which last year amounted to £382,000, including £43,000 maternity allowances paid through the National Provident Fund and the friendly societies. As already stated, the superannuation funds are in a very unsatisfactory financial

Subsidies to
superannuation and
other funds.

state, but, pending the report of the Committee which is investigating the position, only the subsidies usually paid are being budgeted for at present. This means a saving of £175,000, though probably only a temporary one, in comparison with the expenditure last year.

The Civil List and salaries and honoraria, mostly Legislative and Judicial, payable under statute, accounted for a further £138,000 of the expenditure under permanent appropriations; while grants to University colleges, scholarships, and other education purposes absorbed £101,000; compensation for condemned stock, £30,000; Singapore Naval Base, under agreement with the British Government, £125,000; maintenance of war graves, £31,000; and exchanges and management charges of New Zealand stock in London, £72,000. Reductions cannot be made in these items. I may add, however, that the Singapore Naval Base will be a subject for discussion at the forthcoming Imperial Economic Conference.

The remaining expenditure under permanent appropriations last year, amounting to £403,000, included £180,000 on account of railway losses, which this year will be wholly reflected in decreased interest receipts. An amount of £50,000, transfer to Discharged Soldiers Depreciation Fund, need not be repeated this year, although the amount of the fund is not yet large enough to offset the discharged-soldier-settlement losses written off against loan capital. The balance of the expenditure consists of payments under numerous Acts of Parliament, full details of which are set out in the estimates placed before honourable members.

The expenditure under annual appropriations, which comprise the departmental costs, numerous small grants and subsidies, and various miscellaneous items, amounted last year to £7,973,000, nearly half the amount—or £3,219,000—being spent on education.

In the case of Defence, the amount allowed, £275,000, will mean a general suspension of the compulsory military training and some reduction in the staff personnel. The dispensing with the services of members of the staff is much regretted, especially in view of the unemployment difficulties, but if there is to be a suspension of operations the work will not be there for them to do.

The estimates under annual appropriations prepared on the basis that I have indicated total £7,585,000, being a decrease of £388,000 as compared with last year's expenditure. In addition, as previously mentioned, a reduction in the Railway estimates, aided by certain increases in revenue, will aid to the extent of £450,000.

In addition to these savings in expenditure, it is proposed to augment the revenue to the extent of £90,000 by bringing in the following amounts:—

(a) £60,000 from the Land Assurance Fund. This fund was established to meet possible claims for compensation arising out of the bringing of land titles under the Land Transfer Act, and out of the working of the Act generally. The expenses of carrying into effect the provisions of the Land Transfer (Compulsory Registration of Titles) Act, 1924, have been paid out of the fund, which is also charged with any liability under the Mortgagees' Indemnity (Workers' Charges) Act, 1927. About half the work in connection with the compulsory registration of titles has now been completed. Claims for compensation have been very small, while experience has shown that the liability on account of mortgagees' indemnity is practically negligible. Under these circumstances it is proposed to close the fund and transfer the £85,000 at present standing to its credit to the Consolidated Fund. Of the amount £60,000 will go to revenue and the remaining £25,000 will be held in suspense to meet any claims that may be made. The legislation necessary to carry out this proposal will transfer the liabilities of the fund to the Consolidated Fund, which has always been liable to make good any deficiency in the Land Assurance Fund.

(b) £30,000 balance of interest on reparation-moneys at present held in a special reserve by the Public Trustee. During the war the Public Trustee was entrusted with the duty of liquidating ex-enemy property held in New Zealand, the proceeds from which, after the Treaty of Versailles, became reparation-moneys. Interest to the amount of £50,000 earned on such balances since the Treaty has previously been

Annual
appropriations.

Reduction in
Defence vote.

Land Assurance
Fund.

Interest on
reparation-moneys.

received, but owing to technical legal difficulties, legislation will be necessary before interest accruing prior to the Treaty can be made available. All interest on ex-enemy moneys, however, should be applied in relief of taxation, which is carrying the burden of the war pensions and war debt, &c. I may add that the capital moneys, with the exception of about £60,000 held by the Public Trustee against contingent liabilities, have already been applied in repayment of war debt.

The necessary legislation embodying these two proposals will be submitted in due course.

To sum up, it is proposed that the Budget shortage of £3,095,000 shall be partly met by reductions in expenditure, and adjustments as follows :— Summary.

Subsidies to local authorities on rates transferred to	£
Highways Account	220,000
Interest on loan capital transferred to Highways Account	61,000
Additional superannuation subsidies not being budgeted for	175,000
Decrease in hospital subsidies	30,000
Decrease in subsidies on voluntary contributions ..	40,000
Subsidies to Railways (non-recurring)	180,000
Elimination of transfer to Discharged Soldiers Settlement Account Depreciation Fund	50,000
Reduction in annual votes	388,000
Railways—reduction in expenditure and increase in revenue	450,000
Transfer from Land Assurance Fund	60,000
Balance of interest on reparation-moneys	30,000
<hr/>	
Total estimated savings on last year's expenditure	<u>£1,684,000</u>

Allowing, say, £250,000 for supplementary estimates and contingencies, there remains approximately £1,660,000 to be provided out of additional taxation.

TAXATION.

Needless to say, the Government regret very much having to bring forward proposals for fresh taxation, especially at a time like this, when business generally is not as prosperous as it might be. The small surplus for last year was only attained by close control over the expenditure, and there was very little margin to come and go on. Thus, when we find ourselves faced this year with a shrinkage of £2,830,000 in revenue and added liabilities on rigid items of over £400,000, there is no possibility of bridging the gap without some additional taxation. Having carefully combed out the expenditure, the most the Government can do is to endeavour to place the additional burdens as equitably as possible and in such a way as to cause as little economic disturbance as possible, in order that a return to more prosperous times may not be hindered any more than can be helped. Taxation.

The Customs tariff resolutions already passed will, it is estimated, produce about half the £1,660,000 additional revenue required. As I explained when dealing with the resolutions, while obtaining the necessary revenue the opportunity is being taken to make some desirable amendments in the tariff from the protective and preference points of view. Customs increases.

The primage duty, which previously was imposed on practically all goods whether otherwise dutiable or not, has been abolished, and a surtax on dutiable goods substituted therefor; and it may be noted that on most goods of British origin this surtax will produce about the same amount of revenue as the present primage duty. On foreign goods, however, it will bring in a greater amount of revenue.

The bulk of the additional revenue which is to be obtained from Customs will come from the increase in the duty on many lines of foreign goods which, at the same time, will increase the margin of preference on British goods. In addition, definite increases set out in the schedules to the resolutions have been made on other goods.

Duty on tobacco.

In regard to cigarettes, the duty has been increased by 1d. per packet of 10 cigarettes, which is equal to about 3s. 3d. per pound. An equivalent increase has been made on cigarette tobacco and also on the excise duties payable on these articles. The revenue derived from tobacco has in recent years suffered greatly through the unreasonably large concession granted to local manufacturers of tobacco. To protect the revenue the duty on imported raw leaf tobacco has been reduced by 1s. per pound, and the excise duty on tobacco manufactured in New Zealand has been increased by the same amount. On this basis, if a manufacturer who now uses half local and half imported leaf were to use only New Zealand leaf, he will pay about the same duty as he does now. On the other hand, if he continues to use half local and half imported leaf the total duty payable will be increased from 2s. 8d. to 3s. 2d. per pound. Thus the change should result in the greater use of New Zealand tobacco.

Duty on spirituous liquors.

With regard to spirituous liquors, the allowance previously made for underproof spirits has been abolished and the duty on New Zealand brewed beer has been increased by $\frac{1}{2}$ d. per gallon.

Duty on timber.

In order to afford greater assistance to the timber industry, the rates of duty on rough-sawn and sawn-dressed timber have been increased by approximately 2s. 6d. per 100 superficial feet. In addition, the duty on certain fresh fruits has been increased by 1d. per pound, while the duty on barley used as a food for stock has been abolished.

Finally, I may say that it is hoped that the extra duties which have been placed on certain foreign goods may, as a result of negotiations and subsequent reductions, be the means of obtaining better treatment for our products in other countries.

Duty on cinematograph sound-films.

In connection with the amount of additional revenue which it was deemed advisable to obtain from indirect taxation, I may say that in preference to other things it was considered that additional duty should be placed upon cinematograph sound-films. As the value of films varies a great deal, to be equitable any increased taxation should be upon an *ad valorem* and not a footage basis. The difficulty here, however, is that the value of a film is not known when it comes over the wharf. In this connection it may be explained that films are not sold, but are rented to the theatre proprietors, usually for a percentage of the gross theatre takings. Further, films are not dealt with singly, but in groups or "blocks." Under these circumstances an *ad valorem* Customs duty in the ordinary way is hardly practicable, but it is proposed to impose the equivalent of an *ad valorem* duty in the shape of a film-hire tax. Briefly, the proposal is that the film-distributing firms will be required to make returns monthly to the Commissioner of Taxes of the gross rentals received from sound-films and the administration expenses incurred in New Zealand, commencing as from the 1st July last. After deducting these expenses, and also the percentage of gross rentals upon which income-tax is levied, the residue will represent the value of the films, on which will be levied an *ad valorem* tax at the rate of 10 per cent. in the case of British films and 25 per cent. in the case of foreign films.

Land and income tax adjustments.

It is proposed to obtain part of the additional revenue required from land and income tax, but at the same time the opportunity is being taken to remove certain anomalies and place the taxes on a more equitable basis.

The information obtained from last year's income-tax returns of farming incomes showed clearly that previously many large incomes had been escaping their fair share of taxation and that the amendments made last session were in the right direction. Experience has shown, however, that the special land-tax was too rigid in its incidence and was inequitable in some instances. At the same time, information received by the Tax Department shows that the incomes derived from many farms of an unimproved value of considerably less than £14,000 (and thus not at present assessable for income-tax) are not contributing a fair share towards the expenses of the State. Accordingly, to overcome all these difficulties and inequities

it is proposed to abandon the special land-tax and make all farmers owning or occupying land of an unimproved value of £7,500 or over liable to assessment for income-tax on their farming as well as other income. The provision in last year's legislation whereby the land-tax payable was deductible from the income-tax on farming incomes will also be repealed, and farmers will henceforth be assessed for income-tax on the same basis as other classes of the community.

Further, it is found that the present general provision allowing a deduction for income-tax purposes of 5 per cent. on the capital value of property used in production of the income has given rise to serious anomalies and inequities. This allowance is intended as a set-off for land-tax paid, and also to provide for depreciation of buildings, but the method is too rough and ready to be equitable. For instance, a taxpayer deriving income from rents is at present allowed as a deduction the interest on his mortgage and also 5 per cent. on the full capital value, in which his equity may be relatively small. In many such cases the taxpayers practically escape income-tax, and by reason of the mortgage exemption may also escape land-tax. Again, in the cities, owing to the erection in recent years of large and valuable buildings, the 5-per-cent. allowance has in some cases relieved the business man not only of the amount of his land-tax, but, in addition, of a considerable part of his income-tax. Further, the taxpayer carrying on his business in a steel-frame structure with a life possibly exceeding one hundred years is allowed the same rate of 5 per cent. as the taxpayer using a wooden building with a possible life, of, say, forty years. Even in the latter case 5 per cent. on the capital value is an excessive allowance. Further depreciation is an actual expense and should be allowed as a deduction before arriving at the assessable income. At present it is a special exemption.

Accordingly, it is proposed to revert practically to the position obtaining prior to 1923, and reduce the allowance to 5 per cent. on the unimproved value or the taxable balance in cases where a mortgage exemption has been allowed in the land-tax assessment, together with an appropriate allowance for depreciation of buildings, varying with the different classes of building, at the discretion of the Commissioner of Taxes.

The proposal really amounts to dividing the present allowance into its two parts—an allowance of 5 per cent. on the unimproved value as a set-off against land-tax paid, and depreciation on buildings at appropriate rates as a deduction from profits. The change will apply to all assessable income derived from the use of land, whether in the course of farming or trading.

That 5 per cent. on the unimproved value is generally sufficient to cover land-tax paid will be seen from the following examples taken from returns rendered to the Tax Department :—

Class.				Unimproved Value.	Assessable Income.	Reduction in Income-tax by allowing 5 per Cent. on Unimproved Value.	Land-tax paid.
				£	£	£	£
Commercial	..	..	..	6,200	4,220	75	24
Farming	..	..	..	10,150	2,925	98	97
Commercial	..	..	..	18,425	33,656	207	136
Farming	..	..	..	24,287	4,121	283	237
Commercial	..	..	..	35,812	35,119	402	448
Farming	..	..	..	38,927	5,875	499	446

It is also proposed to make some changes in regard to the taxation of life-insurance companies, the taxation on which has been considerably reduced in recent years. In 1921 it was provided that the income should be assessed at half the ordinary rate, and the companies have been able to increase greatly the bonuses paid. It is found, however, that the Government Life Insurance Department, the assessable income of which is determined by its actual profits, is paying 32 per cent. of the total income-tax paid by life-insurance companies, while its

Taxation of life-insurance companies.

income represents less than 22 per cent. of the total income of life-insurance companies. This is a result of the peculiar method of arriving at the assessable income of foreign life-insurance companies. Such companies are assessed on income derived from investments in New Zealand and investments out of New Zealand held by or on behalf of the New Zealand branch. It is not necessary for companies to make investments on behalf of any particular branch, consequently they may to a large extent determine their own taxation. It is proposed, therefore, to provide that in the case of foreign life-insurance companies the taxable income from life-insurance business shall equal 25 per cent. of the premium income and consideration received for annuities. This is approximately the rate shown on an actuarial basis by the Government Life Insurance Department.

Land and income
tax yield.

It is estimated that the yield from land and income tax after these adjustments have been made would be practically the same as under the existing legislation, the only difference being that the burden would be more equitably distributed.

In order to obtain part of the additional revenue required to balance the Budget, it is proposed to withdraw the land-tax concessions granted in 1924, whereby a deduction of 5 per cent. has been allowed on the amount of land-tax otherwise payable.

Increase in
income-tax.

Increase in stamp
duties.

In addition, it is proposed to increase the income-tax rates by 10 per cent.

Under the Stamp Duties Act it is proposed to make the following alterations :—

- (a) Increase the banknote duty from the present rate of 15s. to 22s. 6d. per cent. on the average amount of notes circulating during each quarter. This increase, which will operate as from the 1st July, means an increase from 3 per cent. to $4\frac{1}{2}$ per cent. in the banknote duty.
- (b) Increase the totalizator duty from $2\frac{1}{2}$ per cent. to 5 per cent., the State to receive the whole of the increase. At present the State receives $2\frac{1}{2}$ per cent. and the racing clubs $7\frac{1}{2}$ per cent. of the amount deducted by racing clubs from investments on the totalizator. The proposal is to double the revenue received by the State without interfering with that received by the clubs.
- (c) Require insurance companies to pay the usual 2d. duty on receipts. At present they enjoy an exemption from this tax.
- (d) Increase by 10 per cent. the stamp duty on all instruments presented for stamping. Instruments which the parties thereto are permitted or required to affix adhesive stamps or write on stamped paper will not, however, be affected.
- (e) Companies annual license duty : minimum to be £1 and maximum to be increased from £200 to £300.
- (f) The exemption from conveyance duty of transfers of land from the Crown to be limited to lands within the meaning of the Land Act, 1924, or Land for Settlement Act, 1925, or Education Reserves Act, 1928. This amendment would still leave free of duty transfers of land from the Crown for land-settlement and suchlike purposes, but will require purchasers of land from Government trading departments to pay the usual duties thereon.
- (g) Impose duty at the same rate as is payable on the transfer of shares in New Zealand companies upon transfers of shares in foreign companies, including foreign mining companies, executed in New Zealand. At present such transfers escape duty in New Zealand.
- (h) Increase the flat rate of duty on registration of mortgages and discharges thereof from 2s. 6d. to 5s.
- (i) Amend the definition of " public authority " so as to exclude the Public Trust Office from benefits in favour of the Crown, and otherwise narrow the definition of the Crown for purposes of stamp duty.
- (j) Require the Government Life Insurance and State Fire Insurance Departments to pay an annual license fee and receipt and cheque duties at the usual rates. This proposal means placing these Departments on the same footing in regard to taxation as other insurance companies.

These proposed amendments to the Stamp Duties Act, apart from the increases in the totalizator duty and the banknote duty, are individually relatively small from a revenue point of view, but in the aggregate they will be of some assistance in meeting the Budget shortage.

Under the heading of "Death Duties," it is proposed to impose an additional 10 per cent. estate duty on the amount by which the final balance of an estate exceeds £100,000. This additional duty will bring in a considerable amount of revenue without imposing hardship on anybody.

The exemption from gift duty is to be reduced from £1,000 to £500 per person per year, and a duty of $2\frac{1}{2}$ per cent. imposed on dutiable gifts of from £500 to £1,000 in value.

The annual license fee for a sharebroker's license is to be increased from £2 to £5.

To further assist in providing the additional revenue necessary to balance the Budget, it is proposed to reimpose the amusement-tax on payments of 1s. or more for admission to any entertainments. This was the position prior to 1924, when the exemption was raised to the present amount, 2s. On 1s. admission-price the tax will be 1d., from 1s. to 1s. 6d. a tax of 2d., and on higher charges 1d. for every shilling or part of a shilling, plus an additional penny as at present.

Allowing for these increases in taxation, and also for the increase in the petrol-tax for the benefit of the Main Highways Account, it is estimated that the revenue for the year will be as follows :—

	£
Customs	8,530,000
Beer duty	615,000
Film-hire tax	30,000
Motor-vehicles—Duties, licenses, &c.	1,915,000
Stamp and death duties	3,780,000
Land-tax	1,240,000
Income-tax	3,960,000
Interest on public moneys	805,000
Interest on capital liability—	
Railways	1,380,000
Post Office	510,000
Interest on Public Debt Redemption Fund	985,000
Other receipts	1,370,000
	<hr/>
	£25,120,000
	<hr/>

ESTIMATED RESULTS.

The estimated expenditure for the year is fully set out in the estimates submitted to honourable members. Estimated results.

To sum up, the position for the financial year is estimated to be—

	£
Revenue	25,120,000
Expenditure—	
Permanent appropriations	17,289,000
Annual votes	7,585,000
	<hr/>
	24,874,000
	<hr/>
leaving	£246,000
	<hr/>

to provide for supplementary estimates and contingencies.

Conclusion.

That completes my statement of the finances for the current year, and I have to thank honourable members for a patient hearing. The Government's proposals for meeting the serious financial position with which we are faced may appear to be a formidable list of items, but it is considered that the additional burdens will be more evenly distributed and the retarding effect upon economic recovery minimized by spreading the increase over a number of items under both direct and indirect taxation.

In order that this Dominion should maintain its credit on the world's money-market, the Government would be failing in its duty to the country if it did not bring down proposals to balance the Budget.

The principal cause of most of our present troubles—falling prices in the world's markets—lies beyond our control. We have surmounted similar difficulties in the past, and it is with confidence that I appeal to members of this House and to all sections of the community resolutely to accord the Government solid support and co-operation in the necessary solution of the problem.

This Dominion's natural resources, its favoured climate, and the energy of its people are such that, given the exercise of reasonable care, it should not be long before our present difficulties are behind us and the Dominion is again able to enjoy more prosperous times.

SUMMARY.

Consolidated Fund—

Ordinary Revenue Account—

	£
Revenue	25,349,861
Expenditure	25,200,882
Surplus	<u>£148,979</u>

	£
Balance brought forward, 1st April, 1929	2,453,541

.. dd—

	£
Surplus, 1929–30	148,979
Advance to Native Trustee repaid (net)	33,000
	<u>181,979</u>
	<u>2,635,520</u>

Less—

Advances to Rural Intermediate Credit Board ..	162,000
Subsidies to local authorities for unemployment relief	111,728
Assistance towards restoration of public works damaged by earthquake	3,516
Charges and expenses of raising loans	1,939
	<u>279,183</u>

Balance, 31st March, 1930	<u><u>£2,356,337</u></u>
-----------------------------------	--------------------------

This balance was made up as follows:—

	£
Cash	1,510,239
Imprests outstanding	132,132
Investments	713,966
	<u>£2,356,337</u>

	£
Revenue apart from items earmarked for highways showed comparative increase over previous year of	1,482,972
Customs increase, including £310,000 from additional primage	942,794
Special land-tax produced	240,000
Remissions granted by "Hardship" Commission	118,000
Excess of income-tax over land-tax on farming incomes	47,500
Expenditure increases—	
Interest and debt repayment	586,501
Pensions and family allowances	92,364
Subsidies to Hospital Boards and local authorities	62,390
Petrol-tax and other earmarked revenues for highways	274,394
Subsidies to superannuation funds and National Provident Fund	176,832
Departmental votes	40,946

LONDON LOAN, 1930.

£5,500,000 raised in May, 1930, for—	£
Public Works—General purposes	4,500,000
Development of hydro-electric-power works	500,000
Construction of and additions to railways and rolling-stock	500,000
	<u>£5,500,000</u>

Loan very favourably commented upon by leading financial papers.

Loan obtained on better terms than other borrowing States.

SUMMARY OF DEBT OPERATIONS.

	£
Debt as at 1st April, 1929	264,191,983
Add new loans raised—	£
Ordinary	3,576,145
State advances	2,144,075
	<u>5,720,220</u>
	269,912,203
Less redemptions—	
Ordinary	766,350
War	1,097,744
Discharged soldiers	425,770
State advances	238,996
	<u>2,528,860</u>
	£267,383,343
Debt as at 31st March, 1930	<u>£267,383,343</u>
	£
<i>Classification of the Debt.</i>	
Ordinary	154,297,847
War	69,783,525
Discharged soldiers	7,861,886
State advances	35,440,085
	<u>£267,383,343</u>
	£
<i>Domicile of the Debt.</i>	
London	146,580,502
Australia	4,276,750
New Zealand	116,526,091
	<u>£267,383,343</u>

War debt during year reduced by £1,097,744, the total reduction over the past eight years amounting to £12,462,148, or approximately 15 per cent.

Government's borrowing policy is to restrict further loan expenditure as far as possible to directly productive works, but will not hesitate to borrow the necessary capital for purposes considered to be essential for the economic development of the country.

CONVERSION OPERATIONS.

£29,490,852 4-per-cent. consolidated stock which fell due on 1st November, 1929, was disposed of as follows:—

	£
Converted into other stock	21,759,496
Redeemed out of the proceeds of special London issues for purchases on the market	575,949
Redeemed out of the proceeds of New Zealand issues in redemption	5,968,786
Redeemed out of public-debt-repayment moneys and sinking fund	1,186,621
	<u>£29,490,852</u>

CAPITAL EXPENDITURE ON PUBLIC WORKS.					£
Railway construction, additions, and improvements					3,315,612
Main highways and roads	..	..	..	..	2,288,217
Hydro-electric supply	..	..	..	..	581,975
Telegraphs and telephones	..	..	..	..	657,291
Public buildings (including schools)	..	..	..	..	817,970
Irrigation, land and river improvements	..	..	..	..	283,872
Other public works	..	..	..	..	136,881
Total	..	..	..	..	<u>£8,081,818</u>

PRELIMINARY STATE BALANCE-SHEET PREPARED AS AT 31ST MARCH, 1929.

STATE ADVANCES OFFICE.

The substantial benefits accruing from the activities of the State Advances Office increasingly availed of. During the year, applicants to the number of 6,754 received loans amounting to £6,923,807, as follows :—

	Number.	Amount. £
Loans granted to settlers	2,191	2,187,955
Loans granted to settlers under Rural Advances Branch	779	1,406,860
Loans granted to workers	3,776	3,323,412
Loans granted to local authorities ..	8	5,580
	<u>6,754</u>	<u>£6,923,807</u>

From 10th December, 1928 (when the United Government assumed office), to 31st March, 1930, loans totalling £4,219,895 were granted to 3,495 settlers, £3,851,452 to 4,413 workers, and £5,580 to eight local authorities, making a grand total of £8,076,927 granted to 7,916 applicants.

RURAL INTERMEDIATE CREDIT.

Scheme proving a decided success and contains great possibilities of further benefit to the primary industries of the Dominion. At 30th June, 1929, total advances amounted to £165,480. Repayments coming to hand in a very satisfactory manner.

LAND-SETTLEMENT.

Importance of successful land-settlement fully realized by the Government.

All idle Crown lands suitable for farming are being made productive as soon as possible.

During seventeen months ended 30th April last 545,100¹/₂ acres of all classes of rural and suburban Crown lands were selected under various tenures, the number of subdivisions being 2,549. Anticipated that some 161 additional farming sections will be offered for selection by 31st July.

Development of Native lands also vigorously pursued. Intensive work at present being carried on under fourteen separate development schemes, while preliminary operations being undertaken on eleven other schemes, involving a total area of 54,000 acres.

Thirty properties purchased for land-for-settlement purposes since United Government came into office, comprising an area of 55,592 acres, involving total purchase-price of £525,000 and providing a total of 149 subdivisions.

AGRICULTURE.

Increased production especially necessary at present time to compensate for reduced national income consequent upon lower prices obtained for Dominion's primary produce.

Whole of resources of Departments of Agriculture and Scientific and Industrial Research made available for man on the land.

Special research activities undertaken in connection with destruction of noxious weeds, health and nutrition of animals, &c.

SECONDARY INDUSTRIES.

Development of secondary industries complementary to successful land-settlement. Requirements of local market sufficient to justify more extensive secondary industries. Government assisting (in addition to Customs duty on imported goods) by technical investigations by Department of Industries and Commerce.

EDUCATION.

Requires to be developed on more practical lines. Select Committee's report on education at present being considered by Government.

Country schools being consolidated.

Correspondence School now provides a secondary course.

Special tuition for backward children.

Total cost of education now exceeds £4,500,000 per annum.

UNEMPLOYMENT RELIEF.

Additional employment provided on Government works. Total expenditure by State for last year was £1,415,592. At 31st March, 1930, 16,197 men employed on Government works. Subsidy payable to local authorities on labour costs of relief works undertaken in urban and suburban districts increased from £1 for £1 to £2 for £1.

Legislation now before House giving effect to main recommendations of Unemployment Committee's report.

REPARATIONS.

Matter of German reparation payments now placed on satisfactory basis.

GOVERNMENT TRADING DEPARTMENTS.

With exception of railways, all trading Departments earned profits for the year.

EARTHQUAKE RELIEF.

Total subscriptions received in excess of £147,000.

Government arranged for reopening of main roads and restoration of public buildings.

RAILWAYS.

Gross revenue for year, £8,288,116, and working-expenses, £7,358,859. Total net loss for year, £1,211,269, due basically to competition of motor transport.

Advance of £150,000 made from Consolidated Fund to enable expenditure to be met.

Subsidy on branch lines and isolated sections discontinued as from 1st April, 1929.

Expenditure being drastically overhauled and unremunerative services curtailed or eliminated.

Royal Commission set up to review whole position of Railways.

TRANSPORT.

Co-ordination essential and regulative provisions necessary. Matter cannot be left to be settled by unrestricted competition, which Dominion cannot afford. Legislation to be introduced this session.

HIGHWAYS.

Total expenditure on roads and highways now approximately £3,600,000 per annum.

Wasteful duplication of transport system has been facilitated by development of highways and roads.

Finances of Main Highways Account being adjusted. Petrol-tax to be increased from 4d. to 7d. per gallon to provide necessary additional funds.

TAXATION.

Budget for ensuing year cannot wholly be balanced by economy in administration, and additional taxation unavoidable.

Large falling-off in Customs and land and income tax anticipated owing to trade conditions.

Total shortage of over £3,000,000 required to be met. Shortage to be made good by decreases in expenditure amounting to £1,684,000 and the balance from additional taxation.

Proposals.

Customs duties increased to provide approximately half of £1,660,000 required, mainly in respect of goods of foreign origin.

Duty on tobacco increased.

Allowance previously made for underproof spirit abolished.

Duty on New Zealand brewed beer increased.

Duty on imported timber increased.

Additional duty on cinematograph sound-films.

Land and Income Tax.—Special land-tax abandoned and all farmers owning or occupying land of an unimproved value of £7,500 or over liable to assessment for income-tax on farming as well as other income. Also, adjustments on account of allowances.

Rebate of 5 per cent. on land-tax otherwise payable will not be allowed this year.

Deduction of 5 per cent. on capital value of property for income-tax purposes to be amended to 5 per cent. on unimproved value or taxable balance, with appropriate allowance for depreciation.

Income-tax raised by 10 per cent.

Taxation of life-insurance companies to be adjusted.

Stamp Duties.—Totalizator duty increased from 2½ per cent. to 5 per cent.

Death duties increased by 10 per cent. on amount by which final balance exceeds £100,000.

Amusement-tax increased ; also sundry other increases in stamp duties.

ESTIMATES FOR 1930–31.

Estimates rigorously reduced to minimum consistent with maintenance of existing services.

ESTIMATED REVENUE.					£
Customs	..	..	..	..	8,530,000
Beer duty	..	..	..	..	615,000
Film-hire tax	..	..	..	..	30,000
Motor-vehicles—Duties, licenses, &c.	..	..	..	..	1,915,000
Stamp and death duties	..	..	..	..	3,780,000
Land-tax	..	..	..	..	1,240,000
Income-tax	..	..	..	..	3,960,000
Interest on public moneys	..	..	..	..	805,000
Interest on capital liability—					
Railways	..	..	..	..	1,380,000
Post Office	..	..	..	..	510,000
Interest on Public Debt Redemption Fund	..	..	..	..	985,000
Other receipts	..	..	..	..	1,370,000
					<hr/>
					£25,120,000
					<hr/>

ESTIMATED RESULTS.

The estimated expenditure for the year fully set out in the estimates.

The position for the financial year estimated to be—

Revenue	£	25,120,000
Expenditure—	£	
Permanent appropriations	17,289,000	
Annual votes	7,585,000	
		<hr/>
		24,874,000
leaving ..		<hr/>
		£246,000

to provide for supplementary estimates and contingencies.

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Table No. 3.

REVENUE FOR THE YEAR ENDED 31ST MARCH, 1930, COMPARED WITH THE YEAR ENDED
31ST MARCH, 1929.

	Year ended 31st March, 1930.	Year ended 31st March, 1929.	Increase.	Decrease.
	£	£	£	£
Customs	8,897,046	7,954,252	942,794	..
Beer duty	620,312	611,484	8,828	..
Motor-vehicles—Duties, licenses, &c.	1,510,790	1,243,577	267,213	..
Stamp and death duties	3,405,292	3,575,720	..	170,428
Land-tax	1,506,911	1,140,324	366,587	..
Income-tax	3,533,764	3,310,877	222,887	..
Registration and other fees	253,788	198,267	55,521	..
Marine	114,267	118,250	..	3,983
Interest on public moneys	803,491	760,035	43,456	..
Interest on capital liability—Working railways	2,132,324	2,331,335	..	199,011
Postal and Telegraph	481,000	428,000	53,000	..
Interest on Public Debt Redemption Fund	996,695	995,202	1,493	..
Rents of buildings	18,519	25,284	..	6,765
Tourist and Health Resorts	77,235	72,895	4,340	..
Miscellaneous	230,233	99,222	131,011	..
Territorial	214,229	198,803	15,426	..
Departmental and other receipts	553,965	536,149	17,816	..
			2,130,372	380,187
			380,187	
Totals	25,349,861	23,599,676	1,750,185	..

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, 1930.

	Estimate for 1929-30.	Actual for 1929-30.	Difference.	
			More.	Less.
	£	£	£	£
Customs	8,400,000	8,897,046	497,046	..
Beer duty	600,000	620,312	20,312	..
Motor-vehicles—Duties, licenses, &c.	1,442,000	1,510,790	68,790	..
Stamp and death duties	3,614,000	3,405,292	..	208,708
Land-tax	1,493,000	1,506,911	13,911	..
Income-tax	3,400,000	3,533,764	133,764	..
Registration and other fees	220,000	253,788	33,788	..
Marine	120,000	114,267	..	5,733
Interest on public moneys	820,000	803,491	..	16,509
Interest on capital liability—				
Working railways	2,450,000	2,132,324	..	317,676
Postal and Telegraph	480,000	481,000	1,000	..
Interest on Public Debt Redemption Fund	995,000	996,695	1,695	..
Rents of buildings	25,000	18,519	..	6,481
Tourist and Health Resorts	77,000	77,235	235	..
Miscellaneous	239,000	230,233	..	8,767
Territorial	198,000	214,229	16,229	..
Departmental and other receipts	599,000	553,965	..	45,035
			786,770	608,909
			608,909	
Totals.. .. .	25,172,000	25,349,861	177,861	..

Table No. 5.

ESTIMATED REVENUE of the CONSOLIDATED FUND (Ordinary Revenue Account) for 1930-31, compared with the Actual Revenue received for 1929-30.

						Estimate for 1930-31.	Actual for 1929-30.	Differences.	
								Increase.	Decrease.
ORDINARY REVENUE ACCOUNT.						£	£	£	£
Customs .. .. .	..	..	..	..	..	8,530,000	8,897,046	..	367,046
Beer duty .. .. .	..	..	..	..	..	615,000	620,312	..	5,312
Film-hire tax .. .. .	..	..	..	..	..	30,000	..	30,000	..
Motor-vehicles—Duties, licenses, &c. .. .. .	..	..	..	..	..	1,915,000	1,510,790	404,210	..
Stamp and death duties .. .. .	..	..	..	..	..	3,780,000	3,405,292	374,708	..
Land-tax .. .. .	..	..	..	..	..	1,240,000	1,506,911	..	266,911
Income-tax .. .. .	..	..	..	..	..	3,960,000	3,533,764	426,236	..
Registration and other fees .. .. .	..	..	..	..	..	235,000	253,788	..	18,788
Marine .. .. .	..	..	..	..	..	115,000	114,267	733	..
Interest on public moneys .. .. .	..	..	..	..	..	805,000	803,491	1,509	..
Interest on capital liability—Working Railways .. .. .	..	..	..	..	..	1,380,000	2,132,324	..	752,324
Interest on capital liability—Post and Telegraph .. .. .	..	..	..	..	..	510,000	481,000	29,000	..
Interest on Public Debt Redemption Fund .. .. .	..	..	..	..	..	985,000	996,695	..	11,695
Rents of buildings .. .. .	..	..	..	..	..	18,000	18,519	..	519
Tourist and Health Resorts .. .. .	..	..	..	..	..	75,000	77,235	..	2,235
Miscellaneous .. .. .	..	..	..	..	..	194,000	230,233	..	36,233
Territorial .. .. .	..	..	..	..	..	198,000	214,229	..	16,229
Departmental receipts .. .. .	..	..	..	..	..	529,000	545,952	..	16,952
Recoveries on account of expenditure of previous years .. .. .	..	..	..	..	..	6,000	8,013	..	2,013
								1,266,396	1,496,257
									1,266,396
Totals						25,120,000	25,349,861	..	229,861

Table No. 6.

COMPARATIVE STATEMENT of STAMP and DEATH DUTY REVENUE for 1928-29 and 1929-30.

Item.	1928-29.	1929-30.	Increase.	Decrease.
	£	£	£	£
Adhesive stamps	124,406	115,463	..	8,943
Duty on instruments	439,452	457,148	17,696	..
Death duty (estate and succession duty)	1,865,172	1,662,163	..	203,009
Gift duty	79,342	65,276	..	14,066
Impressed stamps, and duty on cheques	197,834	209,476	11,642	..
Company licenses	72,327	76,066	3,739	..
Sharebrokers' licenses	706	912	206	..
Bank-note duty	191,221	193,017	1,796	..
Duties payable by racing clubs	541,179	542,899	1,720	..
Amusements-tax	60,586	79,887	19,301	..
Rates, fines, and miscellaneous	3,495	2,985	..	510
			56,100	226,528
			..	56,100
Totals	3,575,720	3,405,292	..	170,428

Table No. 7.

STATEMENT SHOWING CUSTOMS DUTIES COLLECTED FOR YEAR 1929-30, COMPARED WITH THE YEAR 1928-29.

	1929-30.	1928-29.	Increase.	Decrease.
	£	£	£	£
Spirits, wine, and beer	1,172,199	1,062,152	110,047	..
Tobacco, cigars, and cigarettes	1,472,662	1,464,732	7,930	..
Apparel and textiles	1,866,548	1,726,231	140,317	..
Motor-vehicles and parts*	1,216,579	1,141,734	74,845	..
Other goods	2,399,207	2,142,504	256,703	..
Primage	769,851	416,899	352,952	..
Totals	8,897,046	7,954,252	942,794	..

* Excluding tire-tax and petrol-tax earmarked to Main Highways.

Table No. 8.

STATEMENT OF THE ACTUAL NET EXPENDITURE OF THE CONSOLIDATED FUND (ORDINARY REVENUE ACCOUNT) FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 1930, COMPARED WITH THE FINANCIAL YEAR ENDED 31ST MARCH, 1929.

	Year ended 31st March, 1930.	Year ended 31st March, 1929.	Increase.	Decrease.
	£	£	£	£
Permanent appropriations—				
Civil List	30,528	30,167	361	..
Interest	9,134,972	8,675,221	459,751	..
Sinking Fund	2,889	2,882	7	..
Repayment of Public Debt	1,154,245	1,046,928	107,317	..
Reduction of Funded Debt	405,136	385,710	19,426	..
Under special Acts—				
Compensation for stock condemned and destroyed	30,203	29,762	441	..
Contribution to Singapore Naval Base ..	125,000	125,000	..	..
Education purposes	140,561	137,233	3,328	..
Exchange on remittances to and from London	47,602	24,813	22,789	..
Maintenance of overseas war graves and memorials	30,750	30,750	..	..
Main Highways Account Revenue Fund—				
Transfer of tire tax, fees, fines, &c.*	548,842	441,346	107,496	..
Motor-spirits taxation—Allocation of revenue	960,568	793,670	166,898	..
N.Z. Consolidated Stock—Amount paid Bank of England for management	24,493	29,844	..	5,351
Pensions—				
Old-age	1,067,603	1,018,353	49,250	..
Widows'	322,886	312,963	9,923	..
Military	11,510	13,673	..	2,163
War	1,204,422	1,178,646	25,776	..
Miners'	49,198	45,725	3,473	..
Blind	14,716	13,339	1,377	..
Various	18,687	20,020	..	1,333
Family allowances	60,876	54,815	6,061	..
Refunds in respect of totalizator-tax ..	25,784	26,166	..	382
Salaries and honoraria (legislative, judicial, &c.)	107,173	100,260	6,913	..
Subsidies paid to Hospital Boards† ..	732,456	673,689	58,767	..
Subsidies paid to local authorities on rates..	219,688	216,065	3,623	..
Subsidies to superannuation funds and the National Provident Fund	381,548	204,716	176,832	..
Working Railways—				
Losses on isolated sections and branch lines	29,929	496,578	..	466,649
Loan to meet liabilities	150,000	..	150,000	..
Transfer to Discharged Soldiers Settlement	50,000	50,000	..	..
Loans Act 1920 Depreciation Fund Account	..	..	..	..
Westport Harbour Board—Repayment on account of advance	..	Cr. 30,000	..	Cr. 30,000
Miscellaneous	145,340	96,263	49,077	..
	17,227,605	16,244,597	1,428,886	445,878

* Includes expenses of collection.

† Subsidy under Hospital and Charitable Institutions Act for the Jubilee Institute for the Blind is included in "Education purposes."

Table No. 8—continued.

STATEMENT OF THE ACTUAL NET EXPENDITURE OF THE CONSOLIDATED FUND (ORDINARY REVENUE ACCOUNT) FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 1930, COMPARED WITH THE FINANCIAL YEAR ENDED 31ST MARCH, 1929—continued.

	Year ended 31st March, 1930.	Year ended 31st March, 1929.	Increase.	Decrease.
	£	£	£	£
Annual appropriations—				
Legislative Departments	99,251	95,191	4,060	..
Prime Minister's Department	13,817	13,084	733	..
Treasury Department	41,941	37,494	4,447	..
National Provident and Friendly Societies Department	25,586	25,047	539	..
Land and Income Tax Department	65,314	61,099	4,215	..
Stamp Duties Department	99,339	96,580	2,759	..
Public Buildings	69,451	87,073	..	17,622
Government and other Domains	4,939	5,299	..	360
Maintenance and Repairs to Roads	79,504	85,436	..	5,932
Maintenance of Irrigation Works	16,310	14,138	2,172	..
Native Department	35,714	31,677	4,037	..
Department of External Affairs	36,612	38,433	..	1,821
Cook Islands	34,389	34,822	..	433
Department of Industries and Commerce	9,356	31,419	..	22,063
Department of Justice	135,383	132,623	2,760	..
Prisons Department	88,443	89,456	..	1,013
Crown Law Office	5,824	5,934	..	110
Police Department	452,883	444,970	7,913	..
Pensions Department	176,743	165,912	10,831	..
Mines Department	27,531	32,424	..	4,893
Department of Internal Affairs	351,039	359,966	..	8,927
Audit Department	27,260	24,790	2,470	..
Public Service Commissioner's Office	6,374	7,062	..	688
Printing and Stationery Department	214,976	220,796	..	5,820
Mental Hospitals Department	307,040	303,300	3,740	..
Department of Health	247,250	239,757	7,493	..
Naval Defence	437,573	463,496	..	25,923
Defence Department	454,828	464,595	..	9,767
Customs Department	112,087	117,390	..	5,303
Marine Department	133,706	110,212	23,494	..
Department of Labour	60,985	60,893	92	..
Department of Lands and Survey	192,819	181,748	11,071	..
Scenery-preservation	2,391	14,139	..	11,748
Valuation Department	55,566	53,600	1,966	..
Electoral Department	11,266	89,773	..	78,507
Department of Agriculture	435,283	451,926	..	16,643
Department of Tourist and Health Resorts	92,383	82,987	9,396	..
Department of Education	3,218,828	3,092,296	126,532	..
Department of Scientific and Industrial Research	65,774	57,535	8,239	..
Transport Department	5,313	..	5,313	..
Services not provided for	22,206	7,959	14,247	..
	7,973,277	7,932,331	258,519	217,573
			1,687,405 663,451	663,451
Total expenditure	25,200,882	24,176,928	1,023,954	

Table No. 9.

NET EXPENDITURE.

COMPARATIVE STATEMENT OF THE APPROPRIATED AND ACTUAL EXPENDITURE OF THE CONSOLIDATED FUND (ORDINARY REVENUE ACCOUNT) FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 1930.

—	Net Appropriations, 1929-30.	Actual Net Expenditure, 1929-30.	Difference.	
			More.	Less.
Permanent appropriations—	£	£	£	£
Civil List	31,190	30,528	..	662
Interest	9,045,111	9,134,972	89,861	..
Sinking Fund	2,882	2,889	7	..
Repayment of Public Debt	1,156,589	1,154,245	..	2,344
Reduction of Funded Debt	405,136	405,136	..	..
Under special Acts	6,380,747	6,499,835	119,088	..
	17,021,655	17,227,605	208,956	3,006
Annual appropriations—				
Legislative Departments	94,967	99,251	4,284	..
Prime Minister's Department	13,990	13,817	..	173
Treasury Department	40,383	41,941	1,558	..
National Provident and Friendly Societies Department	25,757	25,586	..	171
Land and Income Tax Department	64,913	65,314	401	..
Stamp Duties Department	98,806	99,339	533	..
Public Buildings	80,942	69,451	..	11,491
Government and other Domains	6,330	4,939	..	1,391
Maintenance and Repairs to Roads	93,600	79,504	..	14,096
Maintenance of Irrigation Works	21,050	16,310	..	4,740
Native Department	35,732	35,714	..	18
Department of External Affairs	39,944	36,612	..	3,332
Cook Islands	35,635	34,389	..	1,246
Department of Industries and Commerce	9,932	9,356	..	576
Department of Justice	134,125	135,383	1,258	..
Prisons Department	92,867	88,443	..	4,424
Crown Law Office	6,149	5,824	..	325
Police Department	465,108	452,883	..	12,225
Pensions Department	167,449	176,743	9,294	..
Mines Department	44,301	27,531	..	16,770
Department of Internal Affairs	359,343	351,039	..	8,304
Audit Department	28,399	27,260	..	1,139
Public Service Commissioner's Office	7,818	6,374	..	1,444
Printing and Stationery Department	228,310	214,976	..	13,334
Mental Hospitals Department	311,656	307,040	..	4,616
Department of Health	251,827	247,250	..	4,577
Naval Defence	505,017	437,573	..	67,444
Defence Department	491,667	454,828	..	36,839
Customs Department	119,887	112,087	..	7,800
Marine Department	156,346	133,706	..	22,640
Department of Labour	62,281	60,985	..	1,296
Department of Lands and Survey	199,995	192,819	..	7,176
Scenery-preservation	4,753	2,391	..	2,362
Valuation Department	55,990	55,566	..	424
Electoral Department	10,596	11,266	670	..
Department of Agriculture	456,618	435,283	..	21,335
Department of Tourist and Health Resorts	92,856	92,383	..	473
Department of Education	3,200,785	3,218,828	18,043	..
Department of Scientific and Industrial Research	68,303	65,774	..	2,529
Transport Department	7,042	5,313	..	1,729
Services not provided for .. .. .	..	22,206	22,206	..
	8,191,469	7,973,277	58,247	276,439
			267,203	279,445
				267,203
Total	25,213,124	25,200,882	..	12,242

Table No. 10.

ESTIMATED NET EXPENDITURE of the ORDINARY REVENUE ACCOUNT for 1930-31, compared with Actual Net Expenditure for 1929-30.

	Estimate for 1930-31.	Actual for 1929-30.	Difference.	
			Increase.	Decrease.
	£	£	£	£
Permanent Appropriations,—				
Civil List	30,450	30,528	..	78
Interest	9,357,578	9,134,972	222,606	..
Sinking Fund	2,921	2,889	32	..
Reduction of Funded Debt	425,540	405,136	20,404	..
Repayment of Public Debt	1,224,500	1,154,245	70,255	..
Under Special Acts	6,247,503	6,499,835	..	252,332
	17,288,492	17,227,605	313,297	252,410
Annual Appropriations,—				
Legislative Departments	90,000	99,251	..	9,251
Prime Minister's Department	13,900	13,817	83	..
Treasury Department	38,900	41,941	..	3,041
National Provident and Friendly Societies Department	25,000	25,586	..	586
Land and Income Tax Department	64,500	65,314	..	814
Stamp Duties Department	97,000	99,339	..	2,339
Public Buildings	75,000	69,451	5,549	..
Government and other Domains	4,600	4,939	..	339
Maintenance and Repairs to Roads	45,000	79,504	..	34,504
Maintenance of Irrigation Works, &c.	15,000	16,310	..	1,310
Native Department	30,000	35,714	..	5,714
Department of External Affairs	17,108	36,612	..	19,504
Cook Islands	26,900	34,389	..	7,489
Department of Industries and Commerce, Tourist, and Publicity	126,500	139,971*	..	13,471
Department of Justice	134,000	135,383	..	1,383
Prisons Department	90,000	88,443	1,557	..
Crown Law Office	5,800	5,824	..	24
Police Department	450,000	452,883	..	2,883
Pensions Department	165,000	176,743	..	11,743
Mines Department	30,000	27,531	2,469	..
Department of Internal Affairs	279,400	312,807*	..	33,407
Audit Department	28,200	27,260	940	..
Public Service Commissioner's Office	7,480	6,374	1,106	..
Printing and Stationery Department	220,000	214,976	5,024	..
Mental Hospitals Department	310,000	307,040	2,960	..
Department of Health	240,000	247,250	..	7,250
Naval Defence	450,000	437,573	12,427	..
Defence Department	275,000	454,828	..	179,828
Customs Department	110,000	112,087	..	2,087
Marine Department	180,092	133,706	46,386	..
Department of Labour	56,871	60,985	..	4,114
Department of Lands and Survey	172,000	192,819	..	20,819
Scenery-preservation	2,500	2,391	109	..
Valuation Department	55,000	55,566	..	566
Electoral Department	9,992	11,266	..	1,274
Department of Agriculture	390,000	435,283	..	45,283
Department of Education	3,188,186	3,218,828	..	30,642
Department of Scientific and Industrial Research	60,000	65,774	..	5,774
Transport Department	6,357	5,313	1,044	..
Services not provided for .. .. .	..	22,206	..	22,206
	7,585,286	7,973,277	79,654	467,645
			392,951	720,055
				392,951
Total expenditure	£24,873,778	£25,200,882	..	£327,104

* Expenditure on "Publicity" was previously paid out of vote "Internal Affairs" and is included under that vote in Tables 8 and 9.

Table No. 11.

STATEMENT SHOWING HOW ACCUMULATED SURPLUSES HAVE BEEN APPLIED.

To Accumulated surpluses at 31st March, 1930	£	By Transfers to—	£	£
30,395,817		Discharged Soldiers Settlement Account—		
		1920-21	13,330,000	
		1921-22	170,000	
				13,500,000
		Discharged Soldiers Settlement Loans Act 1920 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	
		1927-28	250,000	
				3,250,000
		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†	
		1927-28	95,980	
		1928-29	50	
				6,567,901
		Bank of New Zealand Shares Account—		
		1926-27	808,594	
		1927-28	117,187	
		1928-29	58,594	
				984,375
		Education Loans Account, 1923-24 ..		100,000
		Subsidies for relief of unemployment ..		255,400
		Assistance towards earthquake services ..		3,516
		Advance to State Forests Account ..		45,000
		Advance to Rural Intermediate Credit Board		272,100
		Charges and expenses of renewing loans ..		4,105
		Ordinary revenue—		
		To balance revenue and expenditure—		
		1921-22	279,831	
		1928-29	577,252	
				857,083
		Investments at 31st March, 1930 ..		713,966
		Balance (cash and imprests) at 31st March, 1930 ..		1,642,371
				£30,395,817
	£30,395,817			£30,395,817

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

† Includes £73,710 of reparation-moneys received from Germany.

Table No. 12.

STATEMENT OF THE ESTIMATED LIABILITIES CHARGEABLE ON THE CONSOLIDATED FUND (ORDINARY REVENUE ACCOUNT) OUTSTANDING ON THE 31ST MARCH EACH YEAR FROM 1926 TO 1930.

	1926.	1927.	1928.	1929.	1930.
REVENUE ACCOUNT.	£	£	£	£	£
Permanent Appropriations,—					
Civil List	313	337	335	238	295
Under Special Acts of the Legislature	13,435	16,835	16,540	48,830	48,952
Pensions	701	1,202	898	1,020	789
	14,449	18,374	17,773	50,088	50,036
Annual Appropriations,—					
Legislative Departments	1,007	2,751	4,297	4,182	3,793
Departments of Minister of Finance*	11,064	8,226	16,253	18,843	16,949
Post and Telegraph Department	93,919	61,876	89,230	¶	¶
Public Buildings, Domains, Maintenance of Roads, and Maintenance of Irrigation Works	17,315	23,301	19,189	14,858	20,162
Justice Department†	19,258	15,155	38,603	18,845	17,743
Mines Department	2,371	3,698	3,961	1,656	1,991
Internal Affairs Department‡	61,038	76,784	53,442	69,368	57,165
Defence Department§	94,392	41,813	41,541	28,326	36,871
Customs Department	9,198	5,520	5,080	5,665	6,236
Marine Department	1,148	2,152	1,417	2,065	1,811
Labour Department	1,840	3,332	5,024	5,631	5,521
Lands Department	35,103	28,137	44,033	49,819	42,945
Agriculture Department|| .. .. .	10,405	33,828	41,455	32,577	23,696
Education Department	2,337	2,302	1,865	2,583	2,060
Valuation and Electoral Departments	360,395	308,875	365,390	254,418	236,948
Services not provided for	112	2,652	419	293	911
Imprest Supply Act, 1927, Section 4 .. .. .	..	..	843	227	..
Local Bodies Empowering (Relief of Unemployment) Amendment Act, 1928, Section 3 .. .. .	..	..	..	721	11,651
Refunds of Revenue	1,344	5,453	3,052	4,797	4,952
Totals	376,300	335,354	387,477	310,544	304,493

* 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, Scientific and Industrial Research, and Transport Departments. § Includes Naval Defence. || Includes Industries and Commerce and Tourists Departments. ¶ Now a separate account (see Table No. 16).

Table No. 13.

PUBLIC WORKS FUND.

STATEMENT SHOWING THE NET EXPENDITURE UNDER APPROPRIATIONS FOR THE YEAR ENDED 31ST MARCH, 1930, COMPARED WITH THE YEAR ENDED 31ST MARCH, 1929.

Vote	Year ended 31st March, 1930.	Year ended 31st March, 1929.	Increase.	Decrease.
	£	£	£	£
Public Works, Departmental	132,527	142,176	..	9,649
Railway-construction	1,452,860	1,002,872	449,988	..
Additions to Open Lines	359,661	213,405	146,256	..
Public Buildings—				
General	28,748	4,307	24,441	..
Courthouses	15,765	8,387	7,378	..
Prison Buildings and Works	18,814	12,572	6,242	..
Police-stations	8,442	6,925	1,517	..
Postal and Telegraph	104,157	62,087	42,070	..
Agricultural	2,963	2,808	155	..
Mental Hospital Buildings	152,096	96,782	55,314	..
Health and Hospital Institutions	16,651	19,637	..	2,986
Timber-supply and Sawmills, &c. ..	Cr. 3,608	Cr. 5,115	..	Cr. 1,507
Acquisition and Operation of Quarries ..	329	Cr. 6,030	6,359	..
Lighthouses	4,460	2,638	1,822	..
Harbour-works	10,736	14,425	..	3,689
Development of Tourist Resorts	20,547	39,254	..	18,707
Department of Immigration	41,756	50,266	..	8,510
Roads, &c.	1,005,329	780,990	224,339	..
Roads on Goldfields	1,885	1,005	880	..
Roads to give Access to Outlying Districts	53,693	51,582	2,111	..
Telegraph Extension	594,383	624,414	..	30,031
Contingent Defence	46,763	67,652	..	20,886
Lands, Miscellaneous	79,454	85,861	..	6,407
Irrigation, Water-supply, and Drainage..	69,657	55,197	14,460	..
Plant, Material, and Stores	Cr. 31,813	4,594	..	36,407
Transfer to Main Highways Account, Construction Fund	200,000	200,000	..	..
Services not provided for	257	77	180	..
			983,512	135,765
			135,765	
Totals	4,386,515	3,538,768	847,747	

Table No. 14.

STATEMENT SHOWING THE TOTAL WAYS AND MEANS OF THE PUBLIC WORKS FUND, GENERAL PURPOSES ACCOUNT, AND THE TOTAL NET EXPENDITURE TO THE 31ST MARCH, 1930.

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	..	..	..	5,060,613	0	3			
Aid to Public Works and Land Settlement Act, 1922	..	..	..	4,408,860	12	3			
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	..	..	..	4,306,608	17	6			
Finance Act, 1924, Section 2	..	..	..	2,065,883	12	6			
Finance Act, 1925, Section 2	..	..	..	4,151,450	10	2			
Finance Act, 1926, Section 2	..	..	..	5,220,134	10	7			
Finance Act, 1927 (No. 2), Section 2	..	..	..	4,122,864	0	9			
Finance Act, 1928, Section 2	..	..	..	2,000,000	0	0			
Post and Telegraph Act, 1908	..	..	..	200,000	0	0			
Midland Railway Petitions Settlement Acts, 1902 and 1903	..	..	..	150,000	0	0			
Paeroa-Waihi Railways 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, 1912	..	..	..	100,000	0	0			
							97,851,604	2	10
RECEIPTS IN AID :—									
Amount transferred from Consolidated Fund	..	..	..	14,555,000	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	..	..	..	66,415	13	0			
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			
							15,673,134	5	10
							£113,524,738	8	8

Table No. 14—*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, 1930—*continued*.

NET EXPENDITURE.						£	s.	d.	£	s.	d.
Expenditure on—											
Immigration	..	..	..	..	..	3,276,305	8	1			
Public Works, Departmental	..	..	..	..	..	2,625,430	19	5			
Railways, including Surveys of New Lines and Payment to Midland Railway Bondholders						54,131,309	12	2			
Roads	..	..	..	..	..	18,859,766	12	2			
Land-purchases	..	..	..	..	..	2,061,147	1	10			
Development of Mining	..	..	..	..	..	881,325	0	11			
Telegraph Extension	..	..	..	..	..	10,510,744	3	11			
Public Buildings	..	..	..	..	..	10,696,214	11	4			
Lighthouses, Harbour-works, and Harbour-defences	..	..	..	..	..	1,280,971	19	2			
Contingent Defence	..	..	..	..	..	1,393,361	9	3			
Rates on Native Lands	..	..	..	..	..	68,671	16	10			
Thermal Springs	..	..	..	..	..	14,599	13	2			
Development of Tourist Resorts	..	..	..	..	..	518,913	12	4			
Lands Improvement	..	..	..	..	..	591,722	10	5			
Plant, Material, and Stores	..	..	..	..	..	319,620	13	11			
Charges and Expenses of raising Loans	..	..	..	..	..	3,549,209	9	9			
Coal-mines	..	..	..	..	..	10,835	8	0			
Interest and Sinking Fund	..	..	..	..	..	218,500	0	0			
Irrigation and Water-supply	..	..	..	..	..	906,128	19	3			
Timber Supply, Sawmills, &c.	..	..	..	..	..	Cr. 3,218	1	10			
Acquisition and Operation of Quarries	..	..	..	..	..	5,417	11	11			
Motor Transport Service	..	..	..	..	..	33,635	5	3			
Transfer to Main Highways Account, Construction Fund	..	..	..	..	..	1,226,000	0	0			
									113,176,613	17	3
Balance on 31st March, 1930,—											
Cash in the Public Account	..	..	..	..	..	315,410	19	9			
Imprests outstanding	..	..	..	..	..	32,713	11	8			
									348,124	11	5
									£113,524,738	8	8

Table No. 15.

STATEMENT OF THE ESTIMATED LIABILITIES CHARGEABLE ON THE PUBLIC WORKS FUND (GENERAL PURPOSES ACCOUNT), OUTSTANDING ON THE 31st MARCH EACH YEAR FROM 1926 TO 1930.

	1926.	1927.	1928.	1929.	1930.
Annual Appropriations—	£	£	£	£	£
Public Works, Departmental	1,768	2,198	2,475	3,935	4,110
Railways	99,592	122,980	114,964	94,721	148,032
Irrigation and Water-supply and Drainage	2,406	3,478	2,216	5,968	5,246
Public Buildings	19,521	20,880	15,276	20,488	27,785
Timber-supply, &c.	81	1,367	552	426	242
Acquisition and Operation of Quarries	2,011	1,053	1,997	1,637	2,239
Lighthouses, Harbour-works, and Harbour-defences	591	861	1,423	1,182	1,201
Development of Tourist Resorts	6,697	992	4,590	2,601	5,636
Immigration	33,179	20,238	13,216	8,521	6,233
Roads	54,859	74,969	94,445	77,420	128,359
Telegraph Extension	214,007	211,700	227,018	206,836	287,732
Lands, Miscellaneous	3,621	1,585	3,170	2,172	8,841
Plant, Material, and Stores	4,292	2,610	7,376	4,247	3,993
Totals	442,625	464,911	488,718	430,154	629,649

Table No. 16.

STATEMENT of the ESTIMATED LIABILITIES chargeable on the undermentioned SEPARATE ACCOUNTS outstanding on the 31st March each Year from 1926 to 1930.

	1926.	1927.	1928.	1929.	1930.
	£	£	£	£	£
Cheviot Estate Account .. .. .	..	..	..	..	162
Deteriorated Lands Account	117	839	34	258	15
Discharged Soldiers Settlement Account .. .. .	..	..	5,012	168	44
Education Loans Account	2,214	3,962	3,855	7,992	1,248
Deposits Account	3	..	569	..	..
Electric Supply Account	87,856	141,064	330,055	112,612	122,816
Government Accident Insurance Account	956	345	316	388	319
Government Life Insurance Account	1,142	1,269	1,339	2,031	1,535
Hauraki Plains Settlement Account	1,808	4,836	4,160	4,644	5,519
Kauri-gum Industry Account	441	..	..	..	..
Land Assurance Fund Account .. .. .	..	..	..	..	21
Land for Settlements Account	1,143	870	35	2,231	9,414
Land for Settlements Account (Discharged Soldiers Settlement Account)	238	74	2,162	..	..
Land for Settlements Account (Opening up Crown Lands for Settlement Account)	2,799	..	..	..	..
Main Highways Account—					
Revenue Fund	73,703	64,276	66,304	91,699	114,471
Construction Fund	81,847	124,746	59,418	130,156	112,553
Mining Advances Account .. .. .	..	..	..	2	23
National Endowment Account	1,005	..	88	403	1,085
National Endowment Trust Account .. .. .	..	..	..	1,273	..
Native Land Settlement Account	542	4,045	3,881	8,794	7,102
Native Trustee's Account	57	39	53	100	100
Post Office Account* .. .. .	..	..	..	65,963	70,440
Public Service Superannuation Fund Account	23	157	171	170	203
Public Trust Office Account .. .. .	..	5,032	6,142	6,696	8,890
Railways Improvement Authorization Act 1914 Account	42,083	50,524	140,866	176,334	91,273
Rangitaiki Land Drainage Account	448	970	1,540	1,746	767
State Advances Account	2,699	4,268	64,939	20,149	56,216
State Coal-mines Account	4,930	21,130	16,926	15,931	22,547
State Fire Insurance Account	202	59	..	2	15
State Forests Account	13,455	11,342	10,487	9,818	9,635
Swamp Land Drainage Account	1,174	3,471	3,670	5,826	6,169
Waihou and Ohinemuri Rivers Improvement Account	2,954	6,403	6,388	8,048	2,381
Westport Harbour Account	612	4,621	647	2,331	1,292
Working Railways Account*	309,278	329,829	358,110	335,101	364,479

* Formerly vote under Consolidated Fund.

Table No. 17.

RECEIPTS AND PAYMENTS OF ACCOUNTS, 1929-30, WITH BALANCES AT 1ST APRIL, 1929, AND 31ST MARCH, 1930.

Account.	Balance, 1st April, 1929.	Receipts (Net).	Credits in Reduction.	Net Expenditure.	Balance, 31st March 1930.	
					In Cash.	In Investments
Consolidated Fund—	£	£	£	£	£	£
Ordinary Revenue	2,453,541	25,349,861	4,372,942	25,447,065	1,642,371	713,966
Nauru and Ocean Islands	3,284	36,242	..	36,354	122	3,050
Nauru and Ocean Islands Sinking Fund	10,022	10,410	..	20,120	12	300
Accounts of Local Bodies	7,349	37,705	..	35,325	9,729	..
Deposits	630,549	2,495,240	..	2,777,482	11,933	336,374
Public Works Fund—						
General Purposes	3,889,084	1,376,751	766,744	4,917,710	348,125	..
Waihou and Ohinemuri Rivers Im- provement	11,906	20,571	5,342	29,133	3,344	..
Electric Supply	697,088	935,535	104,388	1,290,742	165,381	176,500
Electric Supply Sinking Fund	115,854	56,875	..	..	39	172,690
Advances to other Governments	15,274	299,521	..	293,750	21,045	..
Bank of New Zealand Shares	1,859,375	245,313	..	245,313	..	1,859,375
Cheviot Estate	210,686	26,590	..	6,382	60,604	170,290
Deteriorated Lands	13,325	1,066	..	2,997	1,337	10,057
Discharged Soldiers Settlement	420,520	1,824,494	1,203	2,004,791	215,582	24,641
Discharged Soldiers Settlement Act 1920	484,676	74,059	..	..	357,992	200,743
Depreciation Fund						
Education Loans	38,605	425,581	12,078	444,344	19,842	..
General Purposes Relief	24,896	9,829	..	3,094	16,841	14,790
Hauraki Plains Settlement	29,282	28,800	23,523	33,830	24,252	..
Howard Estate .. ..	..	..	..	..	..	..
Hunter Soldiers' Assistance Trust	5,293	951	..	139	355	5,750
Hutt Valley Lands Settlement	616	53,355	..	53,910	61	..
Kauri-gum Industry	3,336	15,691	Dr. 127	2,305	16,722	..
Land Assurance Fund	85,834	6,915	1	7,811	58,838	26,100
Land for Settlements	296,815	1,293,297	5,402	1,032,493	267,429	290,190
Land for Settlements—Discharged Soldiers Settlement	4	193	..	197	..	..
Loans Redemption	65,296	28,541,655	..	28,386,801	117,350	102,800
Main Highways Revenue	521,604	1,486,536	56,266	1,871,687	120,553	15,900
Main Highways Construction	8,090	1,299,625	71,674	1,147,148	160,567	..
Mining Advances	14,550	487	..	313	724	14,000
National Endowment	124,886	148,473	..	138,351	44,158	90,850
National Endowment Trust	38,728	4,890	..	1,416	3,062	39,140
Native Land Settlement	13,026	204,184	1,742	161,468	55,742	..
Public Debt Repayment	5,326	1,156,199	..	1,158,472	3,053	..
Railways Improvement Authorization Act, 1914	1,174,816	437,426	132,991	1,285,085	172,157	155,000
Rangitaiki Land Drainage	6,411	14,969	721	18,962	2,418	..
Remittances from London .. ..	..	250,000	..	250,000	..	..
Remittances to London .. ..	..	3,944,680	..	3,948,579	Dr. 3,899	..
Reserve Fund	2,000,000	68,563	..	..	..	2,068,563
State Advances Loan	1,181,875	3,263,887	..	4,345,365	100,397	..
State Coal-mines	38,472	331,101	2,118	310,516	8,257	50,800
State Coal-mines Sinking Fund	4,854	8,408	..	5,318	344	7,600
State Forests	17,247	463,058	3,007	431,584	48,721	..
Swamp Land Drainage	8,672	60,570	2,441	62,234	7,008	..
Westport Harbour	19,348	67,722	416	81,070	6,000	..
Working Railways	685,236	8,261,737	1,347,240	8,869,737	70,936	6,300
Public Account Cash Balance Investment	..	..	..	..	Dr. 2,500,000	2,500,000
	17,235,651	84,639,015	6,910,112	91,159,393	1,659,504	9,055,769

Table No. 18.

STATEMENT SHOWING THE AVAILABLE FINANCIAL RESOURCES OF THE VARIOUS ACCOUNTS ON THE
31ST MARCH, 1929, AS COMPARED WITH THE 31ST MARCH, 1930.

Account.	1929.			1930.		
	Balance on 31st March, 1929.	Liabilities on 31st March, 1929.	Unexhausted Authority for raising Loan on 1st April, 1929.	Balance on 31st March, 1930.	Liabilities on 31st March, 1930.	Unexhausted Authority for raising Loan on 1st April, 1930.
Consolidated Fund—	£	£	£	£	£	£
Ordinary Revenue	2,453,541	310,544	..	2,356,337	304,493	..
Nauru and Ocean Islands	3,284	..	..	3,172	..	..
Nauru and Ocean Islands Sinking Fund	10,022	..	..	312	..	..
Public Works Fund—						
General Purposes	3,889,084	430,154	1,061,050	348,125	629,649	5,061,050
Waihou and Ohinemuri Rivers Im- provement	11,906	8,048	30,000	3,344	2,381	14,375
Electric Supply	697,088	112,612	1,243,990	341,881	122,816	1,243,990
Electric Supply Sinking Fund	115,854	..	..	172,729	..	..
Advances to other Governments	15,274	..	..	21,045	..	..
Bank of New Zealand Shares	1,859,375	..	..	1,859,375	..	..
Cheviot Estate	210,686	..	..	230,894	162	..
Deteriorated Lands	13,325	258	278,000	11,394	15	278,000
Discharged Soldiers Settlement	420,520	168	862,750	240,223	44	..
Discharged Soldiers Settlement Loans	484,676	..	..	558,735	..	..
Act 1920 Depreciation Fund						
Education Loans	38,605	7,992	814,160	19,842	1,248	1,404,160
General Purposes Relief	24,896	..	..	31,631	..	..
Hauraki Plains Settlement	29,282	4,644	125,000	24,252	5,519	115,000
Hunter Soldiers' Assistance Trust	5,293	..	..	6,105	..	..
Hutt Valley Lands Settlement	616	..	..	61	..	..
Kauri-gum Industry	3,336	..	..	16,722	..	..
Land Assurance Fund	85,834	..	..	84,938	21	..
Land for Settlements	296,815	2,231	1,000,000	557,619	9,414	6,000,000
Land for Settlements—Discharged Soldiers Settlement	4	..	1,500,000	..	..	..
Loans Redemption	65,296	..	..	220,150	..	..
Main Highways—						
Revenue Fund	521,604	91,699	..	136,453	114,471	..
Construction Fund	8,090	130,156	2,120,000	160,567	112,553	1,620,375
Mining Advances	14,550	2	50,000	14,724	23	50,000
National Endowment	124,886	403	..	135,008	1,085	..
National Endowment Trust	38,728	1,273	..	42,202	..	..
Native Land Settlement	13,026	8,794	500,000	55,742	7,102	500,000
Public Debt Repayment	5,326	..	..	3,053	..	..
Railways Improvement Authorization Act, 1914	1,174,816	176,334	1,515,000	327,157	91,273	1,515,000
Rangitaiki Land Drainage	6,411	1,746	7,000	2,418	767	7,000
Reserve Fund	2,000,000	..	..	2,068,563	..	..
Samoan Loan Suspense .. ..	..	..	4,800	..	..	4,800
State Coal-mines	38,472	15,931	55,000	59,057	22,547	55,000
State Coal-mines Sinking Fund	4,854	..	..	7,944	..	..
State Forests	17,247	9,818	188,225	48,721	9,635	336,225
Swamp Land Drainage	8,672	5,826	150,000	7,008	6,169	150,000
Westport Harbour	19,348	2,331	..	6,000	1,292	..
Working Railways	685,236	335,101	..	77,236	364,479	..
State Advances Loan	1,181,875	..	10,116,495	100,397	..	10,173,920
<i>Additional Unexhausted Authorities for raising Loans.</i>						
Hutt Railway and Road Improvement Acts, 1903, 1905, 1907, 1910 .. ..	..	..	3,320	..	..	..
Government Railways Act, 1926, sec- tion 69 .. ..	..	..	55,470	..	..	..
Finance Act, 1917, section 77 (Dis- charged Soldiers Employment) .. ..	..	..	1,000,000	..	..	..
Naval Defence Act, 1909 (inoperative)..	..	..	299,400	..	..	..
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	..	..	..
Totals	16,597,753	1,656,065	27,568,020	10,361,136	1,807,158	28,649,895

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	£	£	£
†Less liabilities outstanding, 31st March, 1930	1,620,370		
	1,771,988		
		Dr. 151,618	
*Investment of cash balances		4,605,118.	
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		22,075,645	
			31,566,682

Sinking funds accrued—

State Advances debt	£	1,879,061	
State Coal-mines		7,944	
Westport Harbour loans		256,039	
Samoa loan		15,338	
Nauru and Ocean Islands Sinking Fund Account		312	
Electric Supply Sinking Fund Account		172,729	
			2,331,423

Loans and advances outstanding—

Mining purposes	£	25,632	
Local bodies (annuity value of interest receivable)		828,726	
Samoa loan, less sinking fund		149,862	
Repatriation advances outstanding, 31st March, 1930		253,562	
Discharged soldiers' mortgages and property held	£	15,229,008	
Less amount included in Public Debt Redemption Fund		10,850,000	
		4,379,008	
State Advances—Mortgages and property held, less sinking funds and investments included elsewhere		38,278,284	
General purposes relief—Advances outstanding		29,870	
Rural Intermediate Credit Board—Advances outstanding		272,100	
			44,217,044

Revenue Earning and Trading Accounts—

Railways (capital cost, including unopened lines and value of assets taken over from provinces, less capital written off 1929-30)	£	57,421,114	
Telephones and Telegraphs (value of assets)		9,713,800	
Electric-power supply and development (capital expenditure)		9,191,540	
Westport Harbour-works (value of assets)		514,580	
Lighthouses and harbour-works (capital expenditure)		1,280,972	
Tourist and health resorts (capital expenditure)		533,513	
State coal-mines (value of assets)		258,933	
Kauri-gum (trading capital)		16,300	
Nauru and Ocean Islands (purchase price of rights)		565,040	
			79,495,792

Lands and forests—

Crown lands (estimated value, including settlement lands, Native lands, and education reserves)	£	29,101,735	
Land-drainage schemes (capital invested)		1,951,670	
Irrigation and water-supply (capital expenditure)		906,129	
Waihou and Ohinemuri Rivers improvement (capital expenditure)		687,660	
Lands improvement (capital expenditure)		591,723	
New Zealand Reparation Estates (value of Dominion's interest)		733,600	
Howard Estate		90,000	
State forests (estimated value of forests, reserves, plantations, and nurseries)		38,081,814	
			72,144,331

Indirectly productive expenditure—

Public buildings (including school buildings)	£	14,883,287	
Roads (including roads on Crown lands and main highways)		24,144,436	
Quarries (acquisition and working)		5,418	
Development of mining (capital expenditure)		881,325	
Immigration (capital expenditure)		3,276,305	
			43,190,771
			272,946,043

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

† After deducting £35,170, credits due from other Governments, from the total liabilities.

‡ Includes £10,850,000 previously included under discharged soldiers mortgages, and £11,225,645 of accumulated sinking funds.

Table No. 21.

PUBLIC DEBT.

STATEMENT SHOWING LOANS FALLING DUE IN THE NEXT SEVEN YEARS, ENDING WITH THE YEAR 1937, EXCLUDING IMPERIAL DEBT REPAYMENTS.

Year ending 31st March,					London.	Australia.	New Zealand.	Totals.
					£	£	£	£
1931	..	..	..	..	..	59,400	21,229,016	21,288 416
1932	..	..	..	..	200	333,900	6,987,306	7,321,406
1933	..	..	..	..	..	411,350	5,148,193	5,559,543
1934	..	..	..	..	12,900	52,000	17,170,265	17,235,165
1935	..	..	..	..	37,000	1,275,000	1,848,900	3,160,900
1936	..	..	..	..	..	248,400	4,716,960	4,965,360
1937	..	..	..	..	..	110,300	7,104,840	7,215,140
Totals					50,100	2,490,350	64,205,480	66,745,930

Table No. 22.

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
1st June, 1927	..	..	..	..	644,370	181,595	25,725,353
1st December, 1927	..	..	..	..	639,854	186,111	25,539,242
1st June, 1928	..	..	..	..	635,225	190,740	25,348,502
1st December, 1928	..	..	..	..	630,481	195,484	25,153,018
1st June, 1929	..	..	..	..	625,618	200,346	24,952,672
1st December, 1929	..	..	..	..	620,635	205,330	24,747,342

* 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. 23.

EDUCATION EXPENDITURE.

TOTAL EXPENDITURE ON EDUCATION OUT OF PUBLIC FUNDS, INCLUDING UNIVERSITY, PRIMARY, SECONDARY, AND HIGHER EDUCATION, TECHNICAL AND SPECIAL SCHOOLS, 1913-14 TO 1929-30.

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
1927-28 ..	127,289	90,518	2,974,615†	123,247*	71,497	..	369,134	3,756,300	2 12 1
1928-29 ..	137,233	94,934	3,067,296†	127,444*	71,749	..	375,423	3,874,079	2 13 1
1929-30 ..	140,561	87,420	3,193,828†	129,531*	146,781	..	428,764	4,126,885	2 15 10

* 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 1929-30 to £80,355) 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
1927-28 ..	12,474
1928-29 ..	12,197
1929-30 ..	6,357

Table No. 24.

PENSIONS.

STATEMENT OF AMOUNTS PAID ON ACCOUNT OF PENSIONS FOR THE FINANCIAL YEARS ENDED 31ST MARCH, 1926 TO 1930.

	Year ended 31st March,				
	1926.	1927.	1928.	1929.	1930.
	£	£	£	£	£
War	1,179,552	1,122,741	1,146,955	1,178,646	1,204,422
Old-age*	901,256	979,296	1,007,722	1,059,039	1,105,069
Widows'	285,654	301,080	302,766	312,963	322,886
Miners'	40,204	41,947	45,083	48,102	51,676
Maori War	23,087	19,446	16,377	13,673	11,510
Epidemic	14,420	10,935	8,757	7,981	7,309
Civil Service Act, 1908	16,767	16,724	13,206	12,192	10,547
Defence Act, 1909	2,898	2,628	2,695	2,715	2,573
Judicature Act, 1908	2,703	3,556	4,204	3,429	3,333
Police	552	406	457	671	789
Blind	8,040	10,304	12,249	13,339	14,716
Family Allowance .. .. .	..	..	37,515	54,815	60,876
Sundry	5,022	5,945	6,273	5,698	6,589
Totals	2,480,155	2,515,008	2,604,259	2,713,263	2,802,295

* Includes payments of old-age pensions paid out of national-endowment revenue.

Table No. 25.

EXTERNAL TRADE.

STATEMENT SHOWING IMPORTS AND EXPORTS OF THE DOMINION IN EACH FINANCIAL YEAR ENDED 31ST MARCH, 1922 TO 1930.

Year ended 31st March,				Imports.	Exports.	Excess of Exports.	Excess of Imports.
				£	£	£	£
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
1928 .. .. .	..	..	..	44,419,357	54,962,031	10,542,674	..
1929 .. .. .	..	..	..	45,105,865	57,154,343	12,048,478	..
1930 .. .. .	..	..	..	49,167,914	49,045,817	..	122,097
						51,036,809 6,960,698	6,960,698
Totals .. .. .	..	..	..	407,233,352	451,309,463	44,076,111	