

SESSION I.
1932.
NEW ZEALAND.

FINANCIAL STATEMENT.

Laid upon the Table by Leave of the House.

I HAVE already given honourable members brief particulars of the financial position for last financial year based upon the revenue and expenditure for the first eleven months of the financial year. In order that honourable members may have full information in regard to the national finances, I desire to lay upon the table the following statement of the position. In addition, I have added a short preliminary review of the prospective position for this financial year in so far as it can be estimated on present information, together with an outline of the Government's proposals for dealing with the anticipated situation.

As an appendix to this statement will be found tables showing the revenue and expenditure for the first eleven months of last financial year compared with the Budget estimates for the year. As the year is now closed, it may be asked why it is not feasible to give the definite results for the full twelve months, as is the case in Great Britain. Under the fiscal system of that country, however, the surplus or deficiency can be determined from the bank figures of the receipts into and issues out of the Exchequer to the various departments. In our case the cash in the bank on the 31st March affords no criterion of the position of the Consolidated Fund, as the balance of the Public Account also contains public-works moneys and funds belonging to various other accounts. In New Zealand all expenditure is made through the Treasury. Accordingly, under our present legislation it is necessary to clear all Imprest vouchers received to the 31st March before the separate votes can be charged. In addition, it is the practice to include all receipts into the Public Account at the various branches of the bank throughout the Dominion up to 31st March in the year's accounts. Consequently, it is a matter of two or three weeks before the Treasury can strike a balance and then the accounts must be audited.

Taxation.—With only one more month's receipts to be accounted for, it is evident from the returns for the eleven months that the taxation items as a whole will fall short of the revised Budget estimates by a substantial amount. The final shortage in Customs revenue is estimated at £850,000, and this notwithstanding a reduction of £900,000 in the estimate made in the Supplementary Budget. Beer duty has been affected by the prevailing economic conditions and home brewing, and it will probably be found that this item is short by £10,000.

A shortage of £10,000 is also indicated for film-hire tax. The receipts from stamp and death duties have been behindhand for some months past, and a final shortage of about £200,000 is anticipated. Motor-vehicles—duties and licenses—was the most buoyant item of revenue, and receipts for the year will probably exceed the estimate by £70,000.