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1941.
NEW ZEALAND.

FINANCIAL STATEMENT.

(In Committee of Supply, 16th July, 1941.)

BY THE HON. WALTER NASH, MINISTER OF FINANCE.

MR. CHAIRMAN,—

It is my privilege to lay before honourable members a review of the Dominion's finances and of the Government's proposals for the current financial year.

We again meet under the cloud of a war which threatens the freedom and, in fact, the very existence of the British Commonwealth. While we feel confident of ultimate victory, and the signs are not wanting that the tide is slowly turning—none can foretell how soon this will be brought about.

In recent months the reality of the struggle in which we are engaged has been brought home to us, not only by the initiative, courage, and enterprise of our military forces in Greece and Crete, by the lists of killed, missing, and prisoners of war, and the wounded who reached our shores a short time ago, but also to an increasing extent by the economic difficulties arising out of the war. We have to contend with disruption in overseas trade through inability to ship all our produce available for export, together with uncertainty, delays, shortages of supply, and, in some lines, impossibility of obtaining the imports required for our manufacturers, primary producers, and consumers. Within the Dominion the withdrawal of man-power for the armed forces, the various measures being organized to meet possible war emergencies, combined with the use of an increasing proportion of the country's manufacturing capacity for war-supplies, have all added to the difficulties to be overcome in maintaining trade and industry.

As stated on previous occasions, economic and financial stability is essential as a basis for maximum production and a sustained war effort and also for the maintenance of the welfare of the people. So far the Government's efforts to maintain economic and financial stability, notwithstanding all the difficulties encountered, have been successful. Production for 1939–40 (the latest available figures) amounted to £143,500,000, an increase of £8,700,000 over the previous period. Notwithstanding the withdrawal of men for the armed forces, the number of factory employees for 1940–41 showed an increase of 3,500, while aggregate salaries and wages paid during this period amounted to £123,500,000, the total being £10,700,000 greater than for the previous period. Unemployment has been reduced to negligible proportions.

These results are reflected in the savings-bank figures for the year ended 31st May, 1941. Deposits in the Post-office Savings-bank exceeded the withdrawals by £3,864,000. During the previous year withdrawals exceeded deposits by £1,971,000, so that the improvement for the year is therefore £5,835,000. The amount standing to the credit of depositors at the 31st May, 1941, reached the record total of £63,960,000.

Overseas trade.

During the past financial year the whole of the Dominion's exportable produce has been made available to the United Kingdom Government. Largely as a result of increased production and in spite of shipping difficulties, our export values reached the record total of £71,200,000. Imports for the period totalled £47,900,000, resulting in a record excess of exports over imports of £23,300,000. This considerably strengthened our financial position overseas, and made it possible to reduce the Dominion's indebtedness to the United Kingdom Government by £4,000,000 sterling. After this was done overseas assets of the Reserve and trading banks as at 31st March last showed an increase of £6,700,000 over the amount held at the same date in the previous year.

The outcome of last year's budget, a surplus of £1,726,000, is further evidence of the fact that our financial position is sound and well under control. This surplus is being transferred to the War Expenses Account to assist in meeting this year's war-costs.

As the war effort in New Zealand and in other parts of the British Commonwealth grows in magnitude and intensity, the reactions on trade and industry will inevitably become more widespread, and in one way or another major adjustments will be necessary. It is the policy of the Government to ease the difficulties arising out of the war as much as possible, and to ensure that its burdens and costs are spread as equitably as possible over every section of the community.

United Kingdom Government purchases.

Particulars of the contracts and other arrangements made with the United Kingdom Government for the disposal of our dairy-produce and meat have recently been announced by my colleague, the Honourable Minister of Marketing. For the current production season now drawing to a close the United Kingdom Government have treated New Zealand very fairly in agreeing to purchase, shipped or unshipped, 248,000 tons of meat, 120,000 tons of butter, and all the cheese available. Even so we are faced with storage problems of considerable magnitude, particularly for meat, where the carry-over at the end of September is likely to be as high as 108,000 tons. In anticipation of such a contingency, arrangements have already been made for additional storage facilities throughout the Dominion at an estimated cost of over £500,000.

To make more meat available to the United Kingdom Government than can be lifted in available refrigerated ships, the canning plants in the Dominion are being considerably extended at an estimated cost of about £300,000.

To meet the needs of the United Kingdom Government we have undertaken to increase cheese supplies for export to 160,000 tons. This involves a widespread change-over from butter-production to cheese, but with the full co-operation of the industry it is being carried out. In one way and another financial assistance is being given to farmers and to factories concerned to enable necessary plant and equipment to be obtained. Special measures are also being taken to provide housing for additional cheese-factory employees and some compensation to butter and cheese companies for the increased costs arising from the change-over. It is difficult in present circumstances to assess the real cost to the State of the change-over, but the best available estimate is over £500,000.

Produce contracts.

The agreement recently finalized between the United Kingdom and New Zealand Governments for the coming and subsequent seasons' produce constitutes in principle a distinct departure from the previous agreements which have been on a definite quantitative basis.

Briefly, this new agreement provides—

(1) The United Kingdom Government are to purchase and pay for all the New Zealand produce that can be shipped in any given season:

(2) New Zealand primary industries are to make every effort to adapt their production to actual shipping possibilities—that is, by adopting every possible economy such as the deboning, canning, and pressing of meat, and the possibility of processing whey butter, &c.:

(3) Alternative markets are to be developed wherever possible:

(4) Reserve stocks of storable foodstuffs are to be agreed upon between the two Governments, and to be determined in relation to—

(*a*) Probable demands during or after the war; and

(*b*) The importance of the industries to New Zealand:

(5) The financial burden of acquiring and holding these reserve stocks, together with contingent charges in relation to storage, insurance, quality deterioration, &c., to be shared equally between the two Governments.

The conclusion of the foregoing agreement provides a definite basis on which the future financial obligations of our export trade with the United Kingdom will be determined. Secondly, it creates a broad framework within which our future primary production must be organized and directed.

Under these arrangements the financial results of the coming season will obviously be governed to a large extent by the quantity of goods that can be shipped. It is likely that millions of pounds will be tied up in stocks held in store and on these there will be a charge for storage and other services, together with the possibility of loss arising out of the ultimate disposal of the produce. The estimated cost of purchasing whey butter amounts to £450,000 with, at present, no major outlet in sight.

Notwithstanding all these liabilities, actual and contingent, the Government have already announced that they are prepared to purchase all butter and cheese available for export at the same guaranteed prices as for the season just closed. Although the dairy industry may be involved in some minor losses arising out of all these difficulties, the decision of the Government will protect them against the major risks and give farmers financial security to carry on their operations with confidence.

Sheep industry.

The proposals for the sheep industry provide that wool will continue to be purchased on behalf of the United Kingdom Government, and no great difficulties are anticipated in dealing with this product. In connection with the allied product of meat, however, we have already had to take special measures to increase storage and to extend the canning-plants to cope with the quantity of meat that cannot be shipped in frozen form. It is recognized, however, that it would be inequitable and contrary to the best interest of the industry and the Dominion to allow losses to remain where they fall according to present war necessities.

For the sake of economic stability now, and to preserve intact our productive resources for the future, it is necessary to consider wool and meat together, and work out a scheme under which the State will accept the financial responsibility for the normal exportable surplus as determined in the light of the new agreement with the United Kingdom Government. The schedule of meat prices is at present under consideration and will be discussed with representatives of the industry. Broadly, it can be said that the arrangements made will give the industry a measure of financial security that will enable it to carry on successfully.

Subsidies to pastoral industries.

Apart from the large liabilities and the risks being taken by the State to protect the pastoral industries from the major economic shocks arising from the war, these industries are receiving considerable assistance in keeping their production-costs down. There is provision on this year's estimates for subsidies and other payments amounting in the aggregate to approximately £1,400,000, the chief items of which are as follows:—

	£
Fertilizer subsidy	751,000
Railage rebate (lime and fertilizer)	377,500
Railage rebate on farm produce	65,000
Noxious-weeds destruction	55,000
Compensation for condemned stock	39,000
Grant: New Zealand School of Agriculture ..	33,000
Rabbit-destruction	32,500
Subsidies on account of herd-testing	15,000
Subsidy on account of manufacture of butter-boxes..	10,000
Miscellaneous	20,000
	£1,398,000

Fruit.

It is anticipated that no shipping will be available this year for the export of fruit, which in the past has been worth from £500,000 to £750,000 per annum. The fruitgrowers, however, are protected by the arrangements made for the State to purchase the whole of the apple and pear crop for the season. Successful endeavours are being made to absorb the surplus by increased consumption within the Dominion.

Tobacco.

During recent years tobacco-growing has become an important industry, and in conformity with the Government's policy of eventually making New Zealand self-supporting in the matter of tobacco-leaf much has been done to encourage the growers concerned. Not only does the quality of the product continue to improve, but the guaranteed basic prices determined by the Government assure the grower a reasonable return for his activities.

Wheat.

As regards wheat too, the Government's policy of growing our requirements within the Dominion is producing satisfactory results, and during recent years both the quality and quantity of the product has shown a marked improvement. Growers are guaranteed a minimum price, and the Wheat Research Institute set up by the Government, in co-operation with the industry, has been most successful in the development of better-quality wheats which do not require blending with imported wheats. As a war measure the Wheat Committee, representing the Government, the growers, and the bakers, has arranged for the holding of substantial stocks of wheat in the Dominion.

Secondary Industries.

In regard to our secondary industries, the war has brought additional business to many of our factories, and their chief trouble lies in getting essential supplies of materials and plant from abroad and uncertainty as to when goods will come to hand. The Government, and particularly my colleague the Honourable Minister of Supply, are doing everything possible to minimize these difficulties.

Stocks of materials.

Arrangements have been made for the accumulation by manufacturers of reasonable stocks of certain basic materials to ensure continuity of operations, and in other cases the State has made bulk purchases for distribution as and when required. The supply organizations in London, America, and Australia are being strengthened, and the volume of representations to assist manufacturers to obtain their requirements is considerable. For the same purpose certificates of essentiality are issued in the case of a few commodities, and this procedure will have to be extended considerably.. The issue of import licenses covering a year and the intention to issue certain licenses for 1942 now should also assist manufacturers in overcoming their difficulties.

Supply Council.

The setting-up of a Supply Council should also indirectly be of much assistance to manufacturers. This body has been established and will be given powers to operate under the general control of the War Cabinet and the Minister of Supply, primarily to overcome difficulties in obtaining supplies for the armed forces. By planning supplies for the forces well ahead of required delivery it is anticipated that the Council will be able to give manufacturers longer-term contracts and continuity of business that should be of considerable value to them in drawing up their production schedules. The Council will also take steps to ensure that the necessary materials for defence contracts are available when required, and action along these lines should avoid trouble arising from local stocks of materials being used up on account of rush orders.

Reduction in bank overdraft and deposit rates.

Another matter which will be of considerable benefit to all producers and, in fact, to all sections of the community, is an arrangement made with the trading banks, for a reduction in overdraft rates from the present minimum of 4½ per cent. with a maximum of 6½ per cent., to a minimum of 4 per cent. and a maximum of 5 per cent. A similar reduction in the rates charged by stock and station agents is at present under consideration by the companies concerned. These reductions will operate as from 1st August.

This change will necessitate some reduction in bank-deposit rates, and, concurrently, it has been arranged that the maximum deposit rates that may be paid by building and investment societies, local authorities, and trading companies will also be reduced. These adjustments in deposit rates will be effective to-morrow.

In keeping with these reductions the interest rate for deposits in excess of £500 in the Post Office Savings-bank will be reduced to 2 per cent., a reduction of ½ per cent. The present rate of 3 per cent. on deposits up to £500 will remain unchanged.

Price Stabilization.

In dealing with reactions from the war, the Government have not overlooked the consumer. With many classes of goods for consumption in short supply owing to difficulties in obtaining imports from abroad, combined with the diversion of a considerable part of our manufacturing capacity to war work, the retail prices of goods are likely to rise unless adequate measures are taken to deal with the situation. Realizing this, the Government took early action in setting up a Price Tribunal,

which has done good work in checking avoidable increases in retail prices. Increases in the cost of articles imported from overseas are beyond our control, but the Government are considering ways and means of stabilizing within reasonable limits the cost of the principal essential commodities that enter into the day-to-day living-costs of the average citizen. It is a very thorny problem, and different methods will probably have to be adopted for different commodities. Payment of subsidies is one method that has already been used to stabilize the prices of bread (£288,000), sugar (£240,000), and coal (£200,000) making an aggregate annual cost of £728,000. The objective we have in mind is protection of the standard of living of the rank and file of the people by stabilizing retail prices of essential commodities as well as wages.

It might appear that the objective could be achieved much more easily by offsetting price-rises with cost-of-living bonuses or wage-increases, but that provides no solution at a time when goods for consumption are in short supply. Short supply of consumption goods is inevitable while the whole British Commonwealth of Nations is making a gigantic war effort involving the loss to industry of millions of men and the call upon industry for enormous quantities of supplies to equip and maintain our armed forces.

An illustration of the effect on New Zealand is provided by an analysis of the import figures. During the calendar years 1938 and 1939 the value of consumers' goods imported was £14·8 millions and £10·9 millions respectively, while the value of producers' imported goods remained practically stationary, and when the analysis of 1940 imports becomes available I have no doubt the downward trend in consumers' goods will be found to have continued.

I would also draw particular attention to the table which appears in the appendix to this statement showing the satisfactory growth during recent years in farm and factory production and showing also that since the outbreak of war the reduction in goods available for consumption is due solely to the reduction in imported goods.

National savings.

The cheerful and resolute manner in which the people of the United Kingdom have accepted drastic curtailment of their consumption of many classes of commodities excites our admiration, and I have no doubt that our people also will willingly do without things that might stand in the way of our part in the war effort. The average citizen, perhaps, does not realize the extent to which he can help the war effort and at the same time assist in maintaining stable prices by curtailing his consumption of goods, and particularly imported goods or goods made from imported materials, that he can reasonably do without. His saving in such goods consumed can be made available for the war effort by paying the money into a National Savings Account or by using it to buy Bonds or other war loan securities. Accumulation of small savings by the mass of the people is of the greatest importance at a time when commodities are in short supply.

That the efforts of the Government to keep retail prices steady have been reasonably successful is shown by the fact that since the outbreak of war the retail-price index in New Zealand has shown an increase of 6½ per cent. only, compared with 8½ per cent. in Australia and 27½ per cent. in the United Kingdom.

PUBLIC ACCOUNTS.

Public Accounts.

Let us now consider the position of the public accounts for the current financial year. To appreciate the picture fully, three separate budgets must be examined—namely, the Consolidated Fund, wherein are recorded the main taxation receipts and out of which the administration expenses of the Government are met; the Social Security Fund; and the War Expenses Account.

These three budgets, while separated for clarity of accounting, are all interdependent. The War Expenses Account is now the most important of these budgets not only on account of the fact that in this account is reflected our financial contribution to the war, but because the total amounts involved eclipse the other two accounts put together. In logical sequence, however, it is necessary to consider the Consolidated Fund first.

It is not proposed to make any alteration in the rates of taxation for this year, and the following estimates have been compiled on this basis :—

Consolidated Fund Estimates 1941–42.

CONSOLIDATED FUND ESTIMATES, 1941–42.

REVENUE.

	£	£
Taxation—		
Customs	7,700,000	
Beer duty	1,600,000	
Sales tax	3,300,000	
Highways	2,172,000	
Stamp duties	1,700,000	
Land tax	950,000	
Income-tax (including excess-profits tax) ..	16,100,000	
Miscellaneous	215,000	
		33,737,000
Interest	3,146,000	
Other receipts	2,413,000	
		5,559,000
		39,296,000

EXPENDITURE.

	£	£	£
Permanent Appropriations—			
Debt services	10,955,000		
Exchange	1,600,000		
Transfer of highways revenue	2,172,000		
Transfer to War Expenses Account	1,500,000		
Other permanent appropriations	395,000		
		16,622,000	
Annual votes—			
Social services	12,765,000		
Other	9,425,000		
		22,190,000	
Supplementary estimates and contingencies ..		400,000	
			39,212,000
Leaving an estimated surplus of ..			£84,000

As compared with last financial year's actual receipts totalling £40,438,000, the estimated revenue for the current year shows a reduction of £1,142,000. A reduction of over £1,000,000 has been allowed for in respect of Customs revenue, in anticipation of reduced imports, and a reduction of £222,000 in highways revenue to allow for reduced petrol-consumption, but a reduction in estimated income-tax revenue will, it is anticipated, be more than offset by revenue from the excess-profits tax, which will be payable this year for the first time.

Apart from the transfer of £1,500,000 to War Expenses Account, the estimated expenditure is £37,712,000. This total is approximately £1,000,000 less than last year's actual expenditure. Debt charges and exchange show a comparative decrease of approximately £1,800,000 due to the repayment last year of Treasury notes in London.

On the other hand, the votes grouped under the heading of "Social Services" are in the aggregate greater by approximately £1,000,000. This includes £346,000 for the Health Department, mainly on account of increased subsidies to Hospital Boards, £166,000 to provide for the normal increase in the costs of education, and the transfer of an additional £400,000 to the Social Security Fund.

Dental clinics.

In regard to the provision made under vote "Health" for the cost of dental clinics, for some years past it has been the practice to require a contribution of £30 per annum from the local committees for each nurse employed. It has now been decided to abolish this charge.

The other departmental votes in total show a comparative decrease of £260,000. This, however, is after providing for £365,000 by way of additional subsidies for fertilizers, butter-boxes, sugar, wheat, and coal, increases which for the most part arise out of the war.

Income-tax amendments.

The opportunity is being taken this session to introduce amending legislation to correct certain anomalies that exist in regard to income taxation, the principal of which relates to the basis of assessment of trading banks. Since 1894 banks have been assumed for taxing purposes to earn profits in proportion to their total assets and liabilities, the rate varying from 7s. 6d. per cent. when the system was originally introduced, to 30s. per cent. since 1915. It is obvious that the assessed income computed in this way bears no relationship to the true profits of a bank; in fact, during recent years some banks have paid more in income-taxation than they have actually earned in profits. The difficulty in the past, and, in fact, the justification for imposing the existing system, has been the problem, owing to the banks trading in more than one country, of assessing accurately the profit earned in each, but by collaboration with the Governments concerned that difficulty has been overcome, and accordingly there is no longer any justification for continuing the existing obviously unfair system. The proposed legislation will therefore authorize the taxing of banks on the basis of actual income earned in New Zealand, and make them also liable for full national and social security taxes.

SOCIAL SECURITY FUND.

Social Security Fund Estimates 1941–42.

As regards the Social Security Fund, allowance has been made in this year's estimates for an increase of £796,000 in monetary benefits and £1,223,000 in respect of medical and hospital benefits. These for the most part arise from normal increases. Thus the increase from £10 to £12 10s. per annum payable in respect of universal superannuation, together with new entrants and late applications, accounts for an additional £250,000 and the increase in the number of age beneficiaries for £300,000. Medical and pharmaceutical benefits account for the greater portion of the increase in the heading of hospital benefits, being reflected in the accounts for the first time this year. The out-patients' service and pharmaceutical benefits are now in full operation, while in anticipation of the general practitioner service being in full operation shortly the sum of £600,000 has been set aside for medical benefits. Total expenditure for the year is estimated as follows:—

	£	£
Monetary benefits—		
Age	7,410,000	
Widows'	855,000	
Orphans'	18,000	
Family	604,000	
Invalids'	1,014,000	
Miners'	85,000	
Maori War	500	
Unemployment	300,000	
Sickness	290,000	
Universal superannuation ..	490,000	
Emergency	135,000	
		11,201,500
Hospital, &c., benefits—		
Medical	600,000	
Pharmaceutical	350,000	
Maternity	550,000	
Hospital	1,435,000	
Supplementary	65,000	
		3,000,000
Administration expenses	..	471,500
		£14,673,000

To meet this expenditure the social security charge and registration fee will, it is estimated, provide £10,600,000, and miscellaneous receipts £30,000, while the transfer of £3,600,000 from the Consolidated Fund, together with balances in hand at the beginning of the year, should meet the difference and at the same time leave something to meet possible additional claims during the year.

Additional benefits.

It is the intention to introduce this session several amendments to the Social Security Act.

Firstly it is proposed to give further assistance to the family man on the lower scales of income by extending the family benefit to cover the first child. This means an increase of 4s. a week in the family benefit now payable. It is estimated that this increase will cost £230,000 during the first year of operation.

The position of age beneficiaries with dependants will also be improved, and to place them on the same basis as other classes of benefits it is proposed to increase the rates payable in respect of the wives and children to 10s. each per week, with a maximum age-benefit in any particular case of £4 10s. weekly. Under the present legislation any person qualified to receive an age-benefit cannot be granted an invalid's benefit, and in consequence the Social Security Commission has no option but to convert an invalid's benefit into an age-benefit when the qualifying age of sixty is reached if the beneficiary is otherwise eligible for a benefit of this nature. This transfer necessitates an adjustment in the rates of benefit, and as the amount at present payable for the wife and children of an invalid is 10s. weekly as compared with 5s. a week for age beneficiaries, a reduction has generally been necessary. The proposed amendment will not only correct this anomalous position, but will also allow some additional assistance to be granted to those age beneficiaries who have dependants. The cost of making this alteration is estimated at £74,000 per annum.

A further amendment relates to invalids' beneficiaries, and it has been decided to raise the maximum invalids' benefit from £4 to £4 10s. weekly. Irrespective of the number of dependent children, the amount of an invalid benefit under the present provisions cannot exceed £4 a week, and the proposed amendment will bring this class of benefit into line with miners', widows', and age benefits and make the conditions of payment more uniform. The additional expenditure involved in this case is £6,000 per annum.

It is also proposed to adjust the War Veterans' allowance by increasing the amount for each child to 10s. instead of the 5s. as at present—with a maximum War Veterans' allowance of £4 10s. per week. The additional cost for the first year of operation is estimated at £25,000.

It will be noted that all these alterations benefit families with children and are proposed in pursuance of the Government's policy of doing everything possible to ensure maintenance of the home and family life and to free mothers from some of the difficulties they have experienced in the past.

WAR EXPENSES ACCOUNT.

War Expenses Account Estimates, 1941–42.

We now come to the most important of these budgets—namely, the War Expenses Account. It will readily be appreciated that it is impossible to arrive at estimates of expenditure with any degree of accuracy, as so many unpredictable factors are involved. The war expenditure which came to charge last financial year was in fact less than half the amount estimated, the explanation of the difference in this case being the considerable delay which has been experienced in the receipt of claims from overseas.

For the current financial year provision requires to be made for a total of £69,700,000, including £5,600,000 repayment to the United Kingdom Government. This estimate is arrived at as follows:—

	£
Expenditure—	
Navy	4,200,000
Army	50,000,000
Air	9,900,000
Debt repayment (United Kingdom Government)	5,600,000
	£69,700,000

To meet the foregoing and provide a relatively small margin for contingencies it is estimated that the following receipts will be available:—

	£
Cash balance brought forward from 1940–41 ..	4,428,000
Transfer of 1940–41 Consolidated Fund surplus ..	1,726,000
Transfer from Consolidated Fund, 1941–42 ..	1,500,000
Income-tax	2,300,000
Estate, succession, and gift duty	3,046,000
Customs, beer, sales tax, and gold-export duty ..	3,500,000
Postages	500,000
National security tax	10,000,000
Loans: United Kingdom Government (Memorandum of Security)	31,000,000
Loans (New Zealand)	10,000,000
National Savings Accounts and Bonds	3,000,000
	£71,000,000

It would be unwise of course, to give the same details of proposed War Expenses Account expenditure as is the case with other State accounts, but it may be mentioned, in order to give some idea of the magnitude of our commitments, that the Army estimated expenditure of £50,000,000 includes over £28,000,000 for stores and equipment and over £15,000,000 for pay and allowances.

Of the war expenditure, it is estimated that a total of £31,000,000 will be expended overseas, mainly on account of the army, and allowance has been made for the financing of such expenditure by the United Kingdom Government in terms of the memorandum of security arrangement. At the same time the New Zealand Government have repaid and will continue to repay such advances to the full extent that our sterling funds will permit.

Domestic allowances for soldiers' wives.

Provision has been made in the estimated expenditure for an additional measure of assistance to soldiers' wives with dependent children. Such wives, owing to their domestic responsibilities, are unable to take advantage of the present opportunities for remunerative employment, and accordingly, as from the beginning of September next, it is proposed to pay a domestic allowance of 1s. a day to soldiers' wives with one or more dependent children. For a full year, this will involve a charge of approximately £100,000.

Allowances and allotments to dependants of members of the armed forces reported "missing" or "dead."

With a view to assisting the dependants of members of the armed forces, it has recently been decided that in all cases where members are reported "missing" or "dead" the allotment and allowances and assistance being received from the Soldiers' Financial Assistance Board will be continued for three months after notification to the next-of-kin of the casualty. Thereafter the ordinary war-pension provisions operate where the casualty has been a result of war service. If it is discovered within the period of three months that a member reported "missing" is a prisoner of war, the allotments and allowances are made continuous during the time that he remains a prisoner. In other cases, where the fate of a man reported "missing" remains unknown, the normal practice is for a war pension to be issued at the end of the three months, the pension replacing the active-service payments. Should the discovery be made at a later date, following the issue of a war pension, that the member is a prisoner of war, the procedure is for the allotments and allowances to be restored and necessary adjustments made to cover any difference between these amounts and the pension since the date on which the pension was issued. The dependants of prisoners of war, of course, receive full allotments and allowances during the whole period of internment.

War loans.

Allowance has been made in the estimated receipts for the raising in New Zealand of war loans totalling £10,000,000. A prospectus to raise this sum will be issued on 1st August for a 2½ per cent. war loan maturing 1st August, 1946, and a 3 per cent. war loan maturing 1st August, 1954, the Government

having the right, however, on or after 1st August, 1951, to redeem the latter on giving three months' notice. To the extent that the whole of this amount is not required to meet commitments in New Zealand it will be used to meet overseas war costs. To make way for these war loans, the National Development loan has now been withdrawn.

National Savings.

The National Savings Accounts and Bonds continue to yield satisfactory results and provision has been made for the raising of an estimated sum of at least £3,000,000 by this means. I would urge all citizens to contribute to war loans, whether in the form of the special war loans, interest-free loans, or National Savings Accounts or Bonds, as apart from the necessity of obtaining funds to meet war costs, a diversion of the spending power of the community to a furtherance of the war effort is an essential measure for economic stability.

War Damage Insurance.

It is proposed to introduce this session a War Damage Bill providing compensation for loss of property which may be destroyed by enemy action.

REPATRIATION.

Repatriation.

The Government have been considering for some time measures necessary to re-establish in civil life the thousands of men now in the armed forces. Most of the work of repatriation can be carried out by existing Departments and from the administrative point of view co-ordination and direction are the chief problems. It is proposed to bring down a Repatriation Bill this session which will deal with the matter on broad lines and set up a central authority. Land-settlement under the Lands and Survey Department has already been dealt with by the Small Farms Amendment Act, 1940, and its regulations. The State Advances Corporation, which has all the necessary machinery, will be used as the channel for loans for the erection of houses and purchase of farms, furniture, tools-of-trade, &c. These loans will be made on favourable terms and conditions to be determined by the Government. Several free-of-interest loans up to £50 for tools have already been approved, and details of furniture loans are now under consideration. The drafting of schemes for other loans, and for farm and industrial training, has reached an advanced state, and these matters will come up for decision shortly.

The administration of other aspects of repatriation has proceeded steadily for some time. Under the War Pensions Extension Act, 1940, sick or disabled men discharged from the forces receive full treatment and adequate pensions, while the State Placement Service acts as an employment and general after-care agency, in addition to interviewing and assisting each man in the first instance.

As a back-ground to successful rehabilitation the economic future of the Dominion, particularly in the post-war period, must receive very careful thought. We must endeavour so to direct the industrial make-up of New Zealand that suitable employment can be found not only for returned men, but also for the whole employable population.

PUBLIC DEBT.

Overseas debt.

The net decrease in the public debt overseas (apart from war debt) during the past year amounts to £3,903,000 sterling. This reduction has been due to the following net repayments:—

	£
Instalments in respect of the £16,000,000 sterling conversion loan in accordance with the 1939 agreement	1,891,000
4½ per cent. Treasury notes repaid	976,000
Short-term bills	1,000,000
Deferred payment stock	98,000
	3,965,000
Less premiums on converted stocks	62,000
	£3,903,000

I would take this opportunity of pointing out that since 1935 the Government have reduced overseas indebtedness, apart from war debt, by a total of no less than £5,716,000 with the consequent saving in overseas debt charges.

Up to 31st March last, £5,988,000 had been borrowed from the United Kingdom Government in terms of the Memorandum of Security agreement, under which charges for capital equipment and maintenance of the Second New Zealand Expeditionary Force and the Dominion's share of the cost of the Empire Air Training Scheme are advanced by the United Kingdom Government on an overdraft basis. Of this sum £1,472,000 was repaid prior to 31st March last, leaving a balance owing at that date of £4,516,000. This sum has since been repaid, so that the liability of the Dominion up to 31st March last in connection with the arrangement has been fully met.

Reduction in overseas debt.

Overseas debt, as honourable members will readily appreciate, involves the export of produce from New Zealand to meet the interest and other charges involved, so that the more we reduce such debt the less of our overseas funds do we require to set aside to meet such charges. To ensure the maximum facilities for rehabilitation and post-war expansion it is imperative that we should meet our overseas war commitments to the maximum, and reduce the burden upon our overseas funds after the war.

Increase in New Zealand

Fresh borrowings within New Zealand during the past year amounted to a net total of £26,012,000, and were derived from the following sources—Public: National development loans, £2,562,000; war loans, £10,091,000 (including £1,208,000 interest-free and £1,321,000 National Savings); other public issues, £869,000; departmental issues, £6,049,000; and £6,441,000 from Treasury bills issued to the Reserve Bank; but it is of interest to note that at the 31st March last, with the exception of Treasury bills issued for housing purposes, the whole of the bills issued to the Reserve Bank had been purchased from funds held in Treasury accounts.

The gross increase in the debt domiciled in the Dominion has been applied to the expenditure of £11,886,000 for war purposes, £10,199,000 on hydro-electric development, main highways, and other public works, £5,360,000 on housing, together with £605,000 for redemptions and for costs in connection with loans. Redemptions totalling £4,919,000 were made during the year in New Zealand, but the effect of these was offset to some extent by the issue of securities totalling £2,881,000 in New Zealand in conversion of debt formerly domiciled in London, resulting in a net increase of £26,012,000.

National development loans.

The national development loans to which I have just referred were in the form of both short- and long-dated stock. The short-dated stock was issued at par, bearing interest at 3 per cent. and maturing on 15th July, 1945, while the long-dated was issued at £97 5s. per cent., bears interest at 3¼ per cent., and is repayable on 15th January, 1959, the Government having the right, however, to redeem the latter stock at par on or after 15th January, 1956. To the 31st March last a total of £2,562,000 had been raised in respect of these loans, while a total of £7,282,000 had been brought to account to the 15th July.

Conversion operations.

In May last holders of 3-per-cent. and 3¾-per-cent. stock and debentures falling due for repayment in 1941 and the 3½-per-cent. and 4-per-cent. securities due in 1943, involving in all a total of £21,273,000, were offered conversion into either 3¼-per-cent. stock repayable on 15th September, 1957–60, or 3-per-cent. stock repayable 15th September, 1946–48. Conversion into the 3¼-per-cent. 1957–60 was on terms that gave a return to investors of £3 9s. 3d. per cent. The conversion offer was accepted to the extent of nearly £20,000,000, involving a saving to the State in interest charges of approximately £150,000 per annum. This successful conversion loan should remove any necessity for dealing with any further maturing public issues during the war period.

The borrowing programme for the current year contemplates raising the sum of £44,000,000 for war purposes; deducting the amount of £31,000,000 to be advanced by the United Kingdom Government in terms of the Memorandum of Security arrangement, leaves a balance of £13,000,000 to be raised in the Dominion. In addition, a net amount of £12,950,000 will be required for national development purposes.

NATIONAL DEVELOPMENT.

National Development Loans Account.

In order that honourable members and the public generally may be in a position to appreciate the financial implications involved in national development activities it is proposed to introduce legislation this year authorizing the setting-up of a National Development Loans Account, in which will be recorded all loan-moneys raised for such purposes and from which the funds required by the various Departments concerned will be drawn. In such an account will be recorded that part of the capital transactions of the State which are expended from loans, and the position will be much easier to follow than the present system of recording the borrowings in separate accounts for each of the various activities concerned. Moreover, the term "Public works" as popularly known in the past described accurately the purposes of the greater portion of the State's loan expenditure, but is misleading as representing present-day activities where the older type of public works have necessarily declined in importance and given place to developmental expenditure in connection with primary and secondary industries.

National Development-works.

National development works include the capital works of some eleven different Departments of State—namely, Public Works, Railways, Education, Post and Telegraph, Lands and Survey, Native, Industries and Commerce, Mines, State Forests, Iron and Steel, and Housing. Of these, the Public Works Department has, of course, the largest share, and its total loan allocations are £5,816,000, while the remaining £7,134,000 of the year's loan proposals is distributed among the other ten Departments, making a total loan requirement of £12,950,000. In addition to this sum a further £7,665,000 will be available from the revenues of these developmental activities thus making the national development programme for the year £20,615,000.

Hydro-electricity.

In accord with Government policy most public works allocations have been reduced this year. Certain classes of developmental works have had to be maintained, however, such as housing, where the shortage is still acute, or increased, as in the case of hydro-electric works, where the industrial development and increased provision of houses has so increased the demand for electricity that the supply in some districts has been fully taken up, necessitating rationing at certain times. Hydro-electricity, moreover, continues to be of ever-increasing importance in the development of both primary and secondary industries, so that if the Dominion is to hold its own in the post-war era and provide suitable and remunerative employment for those demobilized from our forces it is necessary that there should be adequate supplies of essential power. Consequently this year's loan allocation for hydro-electric development has been increased to £1,987,000, as compared with last year's loan expenditure of £1,708,000.

Railway Construction and Improvements.

The railway construction and improvements loan allocations (£757,000) represent a reduction of £1,173,000 as compared with last year's loan expenditure, but this substantial reduction has been partly offset by the use of a larger amount of revenue-moneys which are available in the depreciation reserves of the Working Railways Account. The loan allocation of £607,000 for the railway-construction vote will be applied to advancing the various works in hand, particularly the Napier-Gisborne and the South Island Main Trunk lines, all of which are nearing completion and which now have strategic as well as developmental values. A loan allocation of only £150,000 will be required for railway improvements and additions, mostly for rolling stock. The balance required for this purpose will be provided from the depreciation reserves just mentioned.

Roads and Highways.

Roads and highways activities are to be very substantially reduced this year, in pursuance of a policy of concentrating on and completing essential works only. The roads allocation has been reduced to £350,000, as against last year's expenditure of £599,000, while the loan allocation for main highways is £950,000 as compared with last year's loan outgo of £1,498,000.

Land Development.

As mentioned last year, land-development operations are of particular importance in preparing for post-war rehabilitation. The total loan allocations for the purpose for this year are £2,140,000, practically the same amount as was allocated last year, and this money is to be applied to irrigation works (£552,000),

small farms development (£388,000), lands for settlement (£450,000), Native land settlement (£250,000), miscellaneous works on the land (£200,000), and afforestation (£300,000). A further £1,212,000 for land-development operations will be available from revenue receipts and earnings.

Housing.

During the past year the Government's policy in regard to housing has been vigorously pursued, and it is gratifying to know that during that period an additional 3,966 housing units were completed under the direction of the Housing Department, bringing the total number of new rental units under the control of the State Advances Corporation to 10,425.

Further contracts have been let, and the number of units under construction at the end of last year was 2,444.

Subject to the necessary material and labour being available, the Housing Construction Department will continue to operate to the fullest possible extent in an effort to provide additional houses which are so urgently required, particularly in the larger centres. Provision for a total expenditure of £4,400,000 has accordingly been made in the current year's estimates, of which £3,790,000 will be financed from loans and the balance from rent receipts.

Those desiring to erect houses for themselves have been offered building loans by the State Advances Corporation on liberal terms, and although there has been some easing in the demand there have been granted during the past financial year 907 building loans for a total value of £889,000.

Linen-flax.

The Empire's need for linen-flax supplies the reason for this year's increased loan allocation of £600,000 for this purpose. Under an agreement recently concluded the United Kingdom Government will buy the fibre produced from 25,000 acres during the war period and one year thereafter. A schedule of prices has been agreed upon for the 1941–42 and 1942–43 seasons.

Iron and Steel.

The allocation to the Iron and Steel Industry Account has been increased to £350,000, as compared with last year's expenditure of only £6,500, owing to the necessity for some local production of steel.

Public Buildings.

The public buildings loan allocation is £900,000, while that for education buildings is £500,000, and any new works undertaken under both these headings are to be only those of the most urgent nature. Other minor allocations for miscellaneous services such as lighthouse and harbour works, telegraph extension, and plant and material make up a total of £1,229,000, of which £625,000 will be met from loans.

This completes a review of the country's finances. The three principal State Budgets—namely, the Consolidated Fund, the War Expenses Account, and the Social Security Fund—having been adequately provided for, no increases in taxation will be necessary this financial year, but it is confidently hoped that citizens will contribute to the maximum extent to the War Loans and the National Savings Bonds and Accounts.

SUMMARY.

Summarized the financial statement shows:—

1. That in spite of the withdrawal of large numbers of our ablest men for war purposes production during the latest year for which figures are available has increased.

2. That the previous excess of withdrawals from the Post Office Savings-bank Accounts has given place to an excess of deposits amounting to £3,864,000.

3. That the amounts standing to the credit of depositors in the Post Office Savings-bank on 31st May last was the record sum of £63,960,000.

4. That export values reached the record total of £71,200,000.

5. That the favourable balance of trade available for interest payments, debt reduction, and other charges was the record amount of £23,300,000.

6. That the Public Accounts for the fifth year in succession showed a surplus, that for last year amounting to £1,726,000.

7. That agreement has been reached for the sale of the major portion of our primary production to the United Kingdom Government.

8. That it has also been agreed that any loss on reserve stocks of commodities which are unshipped shall be divided equally between the United Kingdom and the Dominion Governments.

9. That the Government will have to meet heavy charges in connection with the cost of providing added storage accommodation and for the change-over from butter to cheese.

10. That subsidies payable to primary producers amount to £1,398,000.

11. That the trading banks have agreed to reduce overdraft rates to a minimum of 4 per cent. and a maximum of 5 per cent. with a corresponding reduction in deposit rates.

12. That to help in the stabilization of prices, subsidies are being provided for bread, sugar, and coal and that other commodities will be stabilized in price as soon as the detailed work is completed.

13. That the retail-price index in the Dominion has advanced by 6½ per cent. only as compared with 8½ per cent. in Australia and 27½ per cent. in the United Kingdom.

14. That last year's surplus of £1,726,000 is being transferred from the Consolidated Fund to the War Expenses Account and that it is proposed to transfer a further £1,500,000 during the present financial year.

15. That some adjustment of income-tax procedure will be provided for during the present session of Parliament.

16. That there will be no increase in taxation during the current year.

17. That £600,000 has been set aside to meet the cost of medical benefits when agreement is reached with the doctors.

18. That the estimated expenditure on the Social Security benefits during the year amounts to £14,673,000.

19. That the Social Security benefits will be extended to—

(*a*) Providing family benefit for the first child under the same conditions as now operate for the second and subsequent children:

(*b*) Increasing from 5s. to 10s. per week the allowance payable to an age beneficiary in respect of his dependent wife and each of his children:

(*c*) Extending the maximum benefit for invalids with wife and children to £4 10s. per week.

(*d*) Increasing from 5s. to 10s. per week the allowance for children of War Veterans.

20. That a soldier's domestic allowance of 1s. per day will be paid to the families of all soldiers where there are children.

21. That the estimates of war expenditure during the present year total £69,700,000.

22. That the pay, allowances, and allotments of all soldiers will continue for three months after they are reported killed or missing.

23. That it is proposed to raise war loans in the Dominion for £10,000,000 at 2½ per cent. and 3 per cent. interest.

24. That it is anticipated that at least £3,000,000 will be subscribed this year to National Savings Accounts and Bonds.

25. That plans for rehabilitation, repatriation, and post-war expansion are in preparation.

26. That a War Damages Bill to cover loss through enemy action will be introduced during the present session of Parliament.

27. That the overseas debt (apart from war debt) has been reduced by £3,903,000 during the past year.

28. That the war costs incurred overseas up to 31st March last amounting to £5,988,000 have been repaid to the United Kingdom Government.

29. That internal war borrowing for last financial year amounted to £11,886,000.

30. That the debt domiciled in the Dominion, including the war debt, increased by £26,012,000 during the year.

31. That since 1935 the overseas debt, apart from war debt, has been reduced by £5,716,000.

32. That it is proposed to spend £12,950,000 loan-money on national development during the present financial year.

33. That 3,966 State houses were built in 1940–41, making a total of 10,425 from the inception of the scheme to 31st March last.

That, Mr. Chairman, reviews the past year and the estimates for the present year. The objectives of the Government at the present time can be summarized under three main headings:—

(*a*) The paramount necessity of meeting war needs in men, materials, and financial resources.

(*b*) The need to keep the everyday economic life of the community functioning to the fullest extent possible.

(*c*) The need after meeting these commitments, to maintain living standards at the highest level possible, after we have contributed supplies and done all that can be done to help win the present conflict.

The war effort is not confined to the military section—civilian workers and women in and out of the home are playing their part not only in maintaining the forces overseas to the fullest extent, but also by producing goods for our own use and for the use of the people of Britain, and by rendering the service essential to achieve our maximum effort. Local manufacturers have achieved splendid results in making good the deficiency in imports and in producing increased quantities of materials essential for our war effort. Our primary producers have contributed in record volume the goods necessary to sustain life in the Dominion, and required for the maintenance of our people in the United Kingdom and the forces in the field. We must continue to work and produce.

The war must not be used as an excuse to put the clock back. We have great advantages over people in many other countries in that we have already achieved many of the things which other peoples are now beginning to ask for. We have gone a long way in building up a better world in which there is more equality of opportunity and fewer extremes of wealth and poverty, while we have freed men from economic uncertainty. Having gained much, we have much more to lose unless we win this war.

This financial review is placed before honourable members during one of the most devastating conflicts in human history. It appears that the whole world may be drawn into the vortex of war—a war not of the choosing of the democratic peoples but of the cold and calculating will of a small body of persons who have studied the reactions of normal peoples and used the knowledge so gained together with an application of diabolical genius to crush and subjugate the peoples of the world. Czechoslovakia, Austria, Poland, Denmark, Norway, Luxemburg, The Netherlands, Belgium, France, Yugoslavia, and Greece have all in turn been subjugated and occupied. The force of the Axis Powers has now been turned against Russia, with whom they were in complete agreement, and no one knows how soon the cables may announce an extension of the area of conflict. All that we can do is to resolve that come what may, we will hold on to the freedom which has been built up through the ages, and all that we have shall be used with no thought of surrender. With the United Kingdom, Canada, Australia, South Africa, India, and the colonies we are one—strong to resist and determined to overcome. Aided by the magnificent material resources of the United States of America, mobilized under the leadership of its great President, Roosevelt, we shall ultimately see the conflict ended in the triumph of the freedom-loving powers. Then we will turn our hearts and minds to building up a State worthy of the sons of freedom who have devoted their lives to its maintenance and expansion.

TABLES TO ACCOMPANY THE FOREGOING STATEMENT.

Table No. 3.

REVENUE FOR THE YEAR ENDED 31ST MARCH, 1941, COMPARED WITH THE YEAR ENDED 31ST MARCH, 1940.

—	Year ended 31st March, 1941.	Year ended 31st March, 1940.	Increase.	Decrease.
	£	£	£	£
Taxation—				
Customs	8,777,757	9,946,858	..	1,169,101
Beer duty	1,602,030	1,378,999	223,031	..
Sales tax	3,502,533	3,510,130	..	7,597
Film-hire tax	94,974	93,117	1,857	..
Gold-export duty	108,915	116,889	..	7,974
Highways	2,393,756	2,997,441	..	603,685
Stamp and death duties	1,697,779	3,469,013	..	1,771,234
Land-tax	959,418	1,019,084	..	59,666
Income-tax	15,720,490	10,271,352	5,449,138	..
Miscellaneous	16,080	7,716	8,364	..
Total—Taxation	34,873,732	32,810,599	5,682,390	3,619,257
Interest—				
On capital liability—				
Working railways	1,694,643	1,189,031	505,612	..
Postal and telegraph	665,000	639,000	26,000	..
On Public Debt Redemption Fund	396,520	445,557	..	49,037
On other public moneys	528,683	635,158	..	106,475
Total—Interest	3,284,846	2,908,746	531,612	155,512
Other receipts—				
Registration and other fees	319,662	308,283	11,379	..
Territorial revenue	434,511	395,489	39,022	..
External affairs	176,344	159,203	17,141	..
Justice	160,367	172,765	..	12,398
Marine	151,506	159,456	..	7,950
Native	4,738	5,658	..	920
Printing and Stationery	291,905	300,827	..	8,922
Profits of Trading Institutions	419,853	420,143	..	290
Stamp duties	64,145	63,188	957	..
Tourist and Health Resorts	112,566	114,963	..	2,397
Miscellaneous	131,308	129,972	1,336	..
Recoveries on account of expenditure of previous years	12,117	18,564	..	6,447
Recoveries on account of unauthorized expenditure of previous years	327	6,303	..	5,976
Total—Other receipts	2,279,349	2,254,814	69,835	45,300
			6,283,837	3,820,069
			3,820,069	..
Totals	40,437,927	37,974,159	2,463,768	..

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, 1941.

—	Estimate for 1940-41.	Actual for 1940-41.	Difference. Increase.	Difference. Decrease.
	£	£	£	£
Taxation—				
Customs	7,500,000	8,777,757	1,277,757	..
Beer duty	1,380,000	1,602,030	222,030	..
Sales tax	3,000,000	3,502,533	502,533	..
Film-hire tax	90,000	94,974	4,974	..
Gold-export duty	125,000	108,915	..	16,085
Highways	2,600,000	2,393,756	..	206,244
Stamp and death duties	1,650 000	1,697,779	47,779	..
Land-tax	1,000,000	959,418	..	40,582
Income-tax	13,550,000	15,720,490	2,170,490	..
Miscellaneous	10,000	16,080	6,080	..
Total—Taxation	30,905,000	34,873,732	4,231,643	262,911
Interest—				
On capital liability—				
Working railways	1,200,000	1,694,643	494,643	..
Postal and telegraph	650,000	665,000	15,000	..
On Public Debt Redemption Fund	450,000	396,520	..	53,480
On other public moneys	500,000	528,683	28,683	..
Total—Interest	2,800,000	3,284,846	538,326	53,480
Other receipts—				
Registration and other fees	300,000	319,662	19,662	..
Territorial revenue	400,000	434,511	34,511	..
External Affairs	160,000	176,344	16,344	..
Justice	184,000	160,367	..	23,633
Marine	160,000	151,506	..	8,494
Native	6,000	4,738	..	,262
Printing and Stationery	350,000	291,905	..	58,095
Profits of Trading Institutions	495,000	419,853	..	75,147
Stamp duties	66,000	64,145	..	1,855
Tourist and Health Resorts	115,000	112,566	..	2,434
Miscellaneous	1,125,000	131,308	..	993,692
Recoveries on account of expenditure of previous years	14,000	12,117	..	1,883
Recoveries on account of unauthorized expenditure of previous years	..	327	327	..
Total—Other receipts	3,375,000	2,279,349	70,844	1,166,495
			4,840,813	1,482,886
			1,482,886	..
Total revenue	37,080,000	40,437,927	3,357,927	..

Table No. 5.

ESTIMATED REVENUE OF THE CONSOLIDATED FUND (ORDINARY REVENUE ACCOUNT) FOR THE YEAR ENDING 31ST MARCH, 1942, COMPARED WITH THE ACTUAL REVENUE RECEIVED FOR THE YEAR ENDED 31ST MARCH, 1941

—	Estimate for 1941–42.	Actual for 1940–41.	Difference. Increase.	Difference. Decrease.
	£	£	£	£
Taxation—				
Customs	7,700,000	8,777,757	..	1,077,757
Beer duty	1,600,000	1,602,030	..	2,030
Sales tax	3,300,000	3,502,533	..	202,533
Film-hire tax	95,000	94,974	26	..
Gold-export duty	110,000	108,915	1,085	..
Highways	2,172,000	2,393,756	..	221,756
Stamp duties	1,700,000	1,697,779	2,221	..
Land-tax	950,000	959,418	..	9,418
Income-tax and Excess Profits Tax	16,100,000	15,720,490	379,510	..
Miscellaneous	10,000	16,080	..	6,080
Total—Taxation	33,737,000	34,873,732	382,842	1,519,574
Interest—				
On capital liability—				
Working Railways	1,500,000	1,694,643	..	194,643
Postal and Telegraph	670,000	665,000	5,000	..
On the Public Debt Redemption Fund	396,000	396,520	..	520
On other public moneys	580,000	528,683	51,317	..
Total—Interest	3,146,000	3,284,846	56,317	195,163
Other receipts—				
Registration and other fees	300,000	319,662	..	19,662
Territorial revenue	400,000	434,511	..	34,511
External Affairs	170,000	176,344	..	6,344
Justice	160,000	160,367	..	367
Marine	145,000	151,506	..	6,506
Native	5,000	4,738	262	..
Printing and Stationery	325,000	291,905	33,095	..
Profits of Trading Institutions	600,000	419,853	180,147	..
Stamp duties	63,000	64,145	..	1,145
Tourist and Health Resorts	110,000	112,566	..	2,566
Miscellaneous	115,000	131,308	..	16,308
Recoveries on account of expenditure of previous years	20,000	12,117	7,883	..
Recoveries on account of unauthorized expenditure ..	..	327	..	327
Total—Other receipts	2,413,000	2,279,349	221,387	87,736
			660,546	1,802,473
			..	660,546
Totals	39,296,000	40,437,927	..	1,141,927

Table No. 6.

STAMP AND DEATH DUTY REVENUE FOR THE YEAR ENDED 31ST MARCH, 1941, COMPARED WITH THE YEAR ENDED 31ST MARCH, 1940.

Item.	Year Ended 31st March, 1941.	Year Ended 31st March, 1940.	Increase.	Decrease.
	£	£	£	£
Adhesive stamps	55,225	216,771	..	161,546
Duty on instruments.. ..	390,611	367,890	22,721	..
Estate and succession duty ..	3,032,795*	1,543,954†	1,488,841	..
Gift duty	194,995*	216,361‡	..	21,366
Impressed stamps, and duty on cheques	233,548	229,739	3,809	..
Company licenses	91,501	90,729	772	..
Sharebrokers' licenses ..	1,511	1,770	..	259
Totalizator revenue	785,517	787,418	..	1,901
Amusements-tax	92,700	95,644	..	2,944
Lottery duty	24,075	24,083	..	8
Overseas-passenger duty ..	14,951	25,709	..	10,758
Miscellaneous	8,140	3,394	4,746	..
			1,520,889	198,782
			198,782	..
Totals	4,925,569	3,603,462	1,322,107	..

* Paid to War Expenses Account. † £1,443,705 paid to Consolidated Fund and £100,249 to War Expenses Account. ‡ £182,161 paid to Consolidated Fund and £34,200 to War Expenses Account.

Table No. 7.

STATEMENT SHOWING CUSTOMS DUTIES COLLECTED FOR YEAR ENDED 31ST MARCH, 1941, COMPARED WITH THE YEAR ENDED 31ST MARCH, 1940.

—	1940–41.	1939–40.	Increase.	Decrease.
	£	£	£	£
Tobacco, cigars, and cigarettes	2,111,751	2,265,222	..	153,471
Spirits, wine, and beer	825,041	1,008,348	..	183,307
Motor-vehicles and parts*	130,915	315,405	..	184,490
Motor-spirit*	2,692,903	2,684,954	7,949	..
Tea	129,862	145,887	..	16,025
Sugar	716,893	690,803	26,090	..
Other goods	1,412,789	2,032,126	..	619,337
Primage duty	401,727	300,140	101,587	..
Surtax	355,876	503,973	..	148,097
War-taxes	650,019	295,666	354,353	..
			489,979	1,304,727
			..	489,979
Totals	9,427,776	10,242,524	..	814,748

* 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, 1941, COMPARED WITH THE FINANCIAL YEAR ENDED 31ST MARCH, 1940.

—	Year ended 31st March, 1941.	Year ended 31st March, 1940.	Increase.	Decrease
Permanent Appropriations :—				
Under special Acts of Legislature—	£	£	£	£
Civil List	27,005	27,033	..	28
Debt Services—				
Interest	8,152,586	7,982,505	170,081	..
Amortization of debt—				
Sinking fund	10,859	10,859	..	..
Repayment of Public Debt Act, 1925 ..	2,074,062	1,892,378	181,684	..
Transfers to Loans Redemption Account ..	1,696,715	252,331	1,444,384	..
Payments on guaranteed loans	595	*Cr.* 2,513	3,108	..
Administration and management	62,258	330,068	..	267,810
Total—Debt Services	11,997,075	10,465,628	1,799,257	267,810
Other Services—				
Other grants and subsidies	253,659	253,031	628	..
Salaries and honoraria	71,413	71,594	..	181
Highways—				
Transfers to Main Highways Account ..	2,229,351	2,790,098	..	560,747
Paid to boroughs	145,357	182,170	..	36,813
Expenses of collecting, &c.	25,879	27,541	..	1,662
Advances	109,605	3,145	106,460	..
Other special Acts—				
Exchange on remittances of public moneys to or from countries overseas	2,403,361	1,704,716	698,645	..
Miscellaneous	43,996	29,821	14,175	..
Transfer to War Expenses Account	..	2,287,826	..	2,287,826
Total—Other Services	5,282,621	7,349,942	819,908	2,887,229
Total—Permanent Appropriations ..	17,306,701	17,842,603	2,619,165	3,155,067

Table No. 8—*continued.*

STATEMENT OF THE ACTUAL NET EXPENDITURE OF THE CONSOLIDATED FUND (ORDINARY REVENUE ACCOUNT) FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 1941, COMPARED WITH THE FINANCIAL YEAR ENDED 31ST MARCH, 1940—*continued.*

—	Year ended 31st March, 1941.	Year ended 31st March, 1940.	Increase.	Decrease.
	£	£	£	£
Annual Appropriations :—				
Vote,—				
Legislative	111,085	105,481	5,604	..
Prime Minister's Department	24,527	26,245	..	1,718
Finance—				
Treasury	59,778	49,211	10,567	..
Customs	153,578	158,390	..	4,812
Land and Income Tax	185,449	155,259	30,190	..
Stamp Duties	102,427	97,531	4,896	..
Audit	39,900	33,812	6,088	..
Total—Finance	541,132	494,203	51,741	4,812
General Administration—				
Public Service Commissioner's Office	16,104	13,454	2,650	..
Internal Affairs	546,219	518,400	27,819	..
External Affairs	209,732	208,213	1,519	..
Printing and Stationery	293,184	250,818	42,366	..
Marine	168,785	179,426	..	10,641
Labour	2,517,326	2,881,908	..	364,582
Native	412,904	535,745	..	122,841
Valuation	37,560	48,503	..	10,943
Electoral	8,133	10,452	..	2,319
Census and Statistics..	33,023	33,850	..	827
National Service	100,911	..	100,911	..
Total—General Administration ..	4,343,881	4,680,769	175,265	512,153
Law and Order—				
Justice and Prisons	271,641	279,463	..	7,822
Crown Law Office	8,348	8,401	..	53
Police	649,715	627,502	22,213	..
Total—Law and Order	929,704	915,366	22,213	7,875
Defence—				
Navy	..	169,139	..	169,139
Army	..	541,969	..	541,969
Air	..	215,504	..	215,504
Total—Defence	..	926,612	..	926,612
Maintenance of Public Works and Services ..	575,697	1,090,598	..	514,901
Development of Primary and Secondary Industries—				
Lands and Survey	368,177	306,181	61,996	..
Agriculture	1,611,984	970,338	641,646	..
Industries and Commerce, Tourist and Publicity..	688,842	350,883	337,959	..
Scientific and Industrial Research	164,074	157,049	7,025	..
Mines	233,063	74,485	158,578	..
Transport	67,362	83,063	..	15,701
Total — Development of Primary and Secondary Industries	3,133,502	1,941,999	1,207,204	15,701
Social Services—				
Health	1,423,609	1,519,139	..	95,530
Mental Hospitals	425,671	303,753	121,918	..
Education	4,606,347	4,471,809	134,538	..
Pensions	1,957,217	2,016,811	..	59,594
Social Security	3,200,000	1,000,000	2,200,000	..
National Provident and Friendly Societies ..	103,513	119,618	..	16,105
Total—Social Services	11,716,357	9,431,130	2,456,456	171,229
Unauthorized Expenditure—				
Services not provided for	28,917	199,814	..	170,897
Total—Annual Appropriations ..	21,404,802	19,812,217	3,918,483	2,325,898
			6,537,648	5,480,965
			5,480,965	..
Total Expenditure	38,711,503	37,654,820	1,056,683	..

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, 1941.

—	Net Appropriations, 1940-41.	Actual Net Expenditure, 1940-41.	Difference. Increase.	Difference. Decrease.
	£	£	£	£
Permanent Appropriations :—				
Under Special Acts of the Legislature,—				
Civil List	30,200	27,005	..	3,195
Debt services—				
Interest	8,519,607	8,152,586	..	367,021
Ammortization of Debt—			..	
Sinking Fund	10,859	10,859		..
Repayment of Public Debt Act, 1925	2,077,225	2,074,062	..	3,163
Securities redeemed	..	..	..	..
Payments on Guaranteed Loans	3,066	595	..	2,471
Transfers to Loans Redemption Account	..	1,696,715	1,696,715	..
Administration and Management	59,850	62,258	2,408	..
Total—Debt services	10,670,607	11,997,075	1,699,123	372,655
Other services—				
Highways	2,583,000	2,400,587	..	182,413
Exchange	1,500,000	2,403,361	903,361	..
Other Special Acts	349,965	478,673	128,708	..
Total—Other services	4,432,965	5,282,621	1,032,069	182,413
Total—Permanent Appropriations	15,133,772	17,306,701	2,731,192	558,263
Annual Appropriations :—				
Vote,—				
Legislative	109,000	111,085	2,085	..
Prime Minister's Department	24,000	24,527	527	..
Finance—				
Treasury	60,350	59,778	..	572
Customs	169,197	153,578	..	15,619
Land and Income Tax	170,000	185,449	15,449	..
Stamp Duties	104,500	102,427	..	2,073
Audit	40,000	39,900	..	100
Total—Finance	544,047	541,132	15,449	18,364
General Administration—				
Public Service Commissioner's Office	16,000	16,104	104	..
Internal Affairs	508,624	546,219	37,595	..
External Affairs	215,943	209,732	..	6,211
Printing and Stationery	300,000	293,184	..	6,816
Marine	172,885	168,785	..	4,100
Labour	2,616,282	2,517,326	..	98,956
Native	490,000	412,904	..	77,096
Valuation	50,000	37,560	..	12,440
Electoral	7,100	8,133	1,033	..
Census and Statistics	36,000	33,023	..	2,977
National Service	101,440	100,911	..	529
Total—General Administration	4,514,274	4,343,881	38,732	209,125
Law and Order—				
Justice and Prisons	289,560	271,641	..	17,919
Crown Law Office	8,500	8,348	..	152
Police	649,478	649,715	237	..
Total—Law and Order	947,538	929,704	237	18,071
Maintenance of Public Works and Services	650,000	575,697	..	74,303
Development of Primary and Secondary Industries—				
Lands and Survey	400,000	368,177	..	31,823
Agriculture	1,657,174	1,611,984	..	45,190
Industries and Commerce, Tourist and Publicity	524,115	688,842	164,727	..
Scientific and Industrial Research	165,153	164,074	..	1,079
Mines	255,100	233,063	..	22,037
Transport	73,000	67,362	..	5,638
Total—Development of Primary and Secondary Industries	3,074,542	3,133,502	164,727	105,767

Table No. 9—*continued.*

NET EXPENDITURE—*continued.*

COMPARATIVE STATEMENT OF THE APPROPRIATED AND ACTUAL EXPENDITURE OF THE CONSOLIDATED FUND (ORDINARY REVENUE ACCOUNT) FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 1941—*ctd.*

—	Net Appropriations, 1940-41.	Actual Net Expenditure, 1940-41.	Difference.	
			Increase.	Decrease.
ANNUAL APPROPRIATIONS—*continued.*	£	£	£	£
Vote—*continued.*				
Social Services—				
Health	1,502,110	1,423,609	..	78,501
Mental Hospitals	442,000	425,671	..	16,329
Education	4,630,310	4,606,347	..	23,963
Pensions	1,950,000	1,957,217	7,217	..
Social Security	3,200,000	3,200,000	..	..
National Provident and Friendly Societies ..	109,000	103,513	..	5,487
Total—Social Services	11,833,420	11,716,357	7,217	124,280
Unauthorized Expenditure,—				
Services not provided for	..	28,917	28,917	..
TOTAL—ANNUAL APPROPRIATIONS ..	21,696,821	21,404,802	257,891	549,910
			2,989,083	1,108,173
			1,108,173	..
TOTAL EXPENDITURE	36,830,593	38,711,503	1,880,910	..

Table No. 10.

ESTIMATED NET EXPENDITURE OF THE ORDINARY REVENUE ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 1942, COMPARED WITH ACTUAL NET EXPENDITURE FOR THE YEAR ENDED 31ST MARCH, 1941.

—	Estimate for 1941-42.	Actual for 1940-41.	Difference.	
			Increase.	Decrease.
	£	£	£	£
Permanent Appropriations,—				
Civil List	31,331	27,005	4,326	..
Debt services—				
Interest	8,540,645	8,152,586	388,059	..
Sinking Fund	10,859	10,859	..	..
Repayment of Public Debt	2,260,020	2,074,062	185,958	..
Transfers to Loans Redemption Account	10,000	1,696,715	..	1,686,715
Administration and Management	134,695	62,258	72,437	..
Payments of Guaranteed Loans, Redemptions, and Transfers	Cr. 1,500	595	..	2,095
Total—Debt Services	10,954,719	11,997,075	646,454	1,688,810
Under Special Acts of the Legislature—				
Highways	2,172,000	2,400,587	..	228,587
Exchange	1,600,000	2,403,361	..	803,361
Other Special Acts..	1,863,630	478,673	1,384,957	..
Total—Other Services	5,635,630	5,282,621	1,384,957	1,031,948
Total—Permanent appropriations ..	16,621,680	17,306,701	2,035,737	2,720,758
Annual Appropriations,—				
Legislative	115,000	111,085	3,915	..
Prime Minister's Department	22,220	24,527	..	2,307
Finance—				
Treasury	53,490	59,778	..	6,288
Customs	159,246	153,578	5,668	..
Land and Income Tax	199,600	185,449	14,151	..
Stamp Duties	102,200	102,427	..	227
Audit	43,100	39,900	3,200	..
	557,636	541,132	23,019	6,515
General Administration—				
Public Service Commissioner's Office	16,500	16,104	396	..
Internal Affairs	496,500	546,219	..	49,719
External Affairs	247,700	209,732	37,968	..
Printing and Stationery	357,530	293,184	64,346	..
Marine	156,890	168,785	..	11,895
Labour	1,603,000	2,517,326	..	914,326
Native	428,300	412,904	15,396	..
Valuation..	40,000	37,560	2,440	..
Electoral	112,500	8,133	104,367	..
Census and Statistics	33,390	33,023	367	..
National Service	102,500	100,911	1,589	..
	3,594,840	4,343,881	226,869	975,940
Law and order—				
Justice and Prisons	278,005	271,641	6,364	..
Crown Law	8,680	8,348	332	..
Police	667,900	649,715	18,185	..
	954,585	929,704	24,881	..
Maintenance of Public Works and Service	600,000	575,697	24,303	..
Development of Primary and Secondary Industries—				
Lands and Survey	404,800	368,177	36,623	..
Agriculture	1,806,800	1,611,984	194,816	..
Industries and Commerce, Tourist and Publicity ..	801,400	688,842	112,558	..
Scientific and Industrial Research	183,200	164,074	19,126	..
Mines	298,475	233,063	65,412	..
Transport	86,400	67,362	19,038	..
	3,581,075	3,133,502	447,573	..
Social Services—				
Health	1,769,895	1,423,609	346,286	..
Mental Hospitals	448,700	425,671	23,029	..
Education	4,772,200	4,606,347	165,853	..
Pensions	2,070,947	1,957,217	113,730	..
Social Security	3,600,000	3,200,000	400,000	..
National Provident and Friendly Societies	103,200	103,513	..	313
	12,764,942	11,716,357	1,048,898	313
Services not provided for	..	28,917	..	28,917
Total—Annual appropriations	22,190,268	21,404,802	1,799,458	1,013,992
			3,835,195	3,734,750
			3,734,750	..
Totals	38,811,948	38,711,503	100,445	..

Table No. 11.

PUBLIC WORKS FUND.

STATEMENT SHOWING THE NET EXPENDITURE UNDER APPROPRIATIONS FOR THE YEAR ENDED 31ST MARCH, 1941, COMPARED WITH THE YEAR ENDED 31ST MARCH, 1940.

Vote.	Year ended 31st March, 1941.	Year ended 31st March, 1940.	Increase.	Decrease.
	£	£	£	£
Public Works Departmental ..	48,730	147,461	..	98,731
Railway-construction	857,932	1,178,776	..	320,844
Railways Improvement and Additions to Open Lines	1,072,160	2,986,640	..	1,914,480
Public Buildings—				
General	337,769	269,228	68,541	..
Courthouses	13,154	11,436	1,718	..
Education Buildings	541,406	844,126	..	302,720
Prison Buildings and Works	2,533	4,348	..	1,815
Police-stations	24,343	60,664	..	36,321
Postal and Telegraph	352,562	362,730	..	10,168
Mental Hospital Buildings	126,644	175,552	..	48,908
Health and Hospital Institutions ..	44,020	67,136	..	23,116
Lighthouses and Harbour-works ..	34,354	22,519	11,835	..
Development of Tourist Resorts ..	21,575	24,892	..	3,317
Roads, &c.	599,013	1,124,590	..	525,577
Telegraph Extension	256,053	416,779	..	160,726
Lands, Miscellaneous	242,958	172,525	70,433	..
Irrigation, Water-supply, and Drainage ..	611,038	416,437	194,601	..
Swamp Land Drainage	3,947	2,696	1,251	..
Settlement of Unemployed Workers ..	..	446,698	..	446,698
Small Farms Development	315,429	..	315,429	..
Native Land Settlement	238,444	357,819	..	119,375
Linen Flax Development	245,977	..	245,977	..
Totals, annual appropriations	5,990,041	9,693,052	909,785	4,012,796
Unauthorized—				
Services not provided for	1,388	4,976	..	3,588
Totals	5,991,429	9,098,028	909,785	4,016,384
				909,785
				3,106,599

Table No. 12.

STATEMENT SHOWING THE TOTAL WAYS AND MEANS OF THE PUBLIC WORKS FUND, GENERAL PURPOSES ACCOUNT, AND THE TOTAL NET EXPENDITURE TO THE 31ST MARCH, 1941.

WAYS AND MEANS.	£	s.	d.	£	s.	d.
LOANS :—						
Immigration and Public Works Loan, 1870	4,000,000	0	0			
Immigration and Public Works Loan, 1873	2,000,000	0	0			
Immigration and Public Works Loan, 1874	4,000,000	0	0			
General Purposes Loan Act, 1873	750,000	0	0			
New Zealand Loan Act, 1876	750,000	0	0			
New Zealand Loan Act, 1877	2,200,000	0	0			
New Zealand Loan Act, 1879	5,000,000	0	0			
New Zealand Loan Act, 1882	3,000,000	0	0			
New Zealand Colonial Inscribed Stock Loan Act, 1882	250,000	0	0			
North Island Main Trunk Railway Loan Act, 1882	1,000,000	0	0			
New Zealand Loan Act, 1884	1,500,000	0	0			
New Zealand Loan Act, 1886	1,325,000	0	0			
District Railways Purchasing Acts, 1885 and 1886	479,487	7	11			
New Zealand Loan Act, 1888	1,000,000	0	0			
Native Land Purchase Act, 1892	149,700	0	0			
Lands Improvement and Native Lands Acquisition Act, 1894 ..	500,000	0	0			
Aid to Public Works and Land Settlement Act, 1896	1,000,000	0	0			
Aid to Public Works and Land Settlement Amendment Act, 1897..	250,000	0	0			
Aid to Public Works and Land Settlement Amendment Act, 1898..	500,000	0	0			
Aid to Public Works and Land Settlement Act, 1899	1,000,000	0	0			
Aid to Public Works and Land Settlement Act, 1900	1,011,600	0	0			
Aid to Public Works and Land Settlement Act, 1901	1,250,000	0	0			
Aid to Public Works and Land Settlement Act, 1902	1,750,000	0	0			
Aid to Public Works and Land Settlement Act, 1903	997,690	0	0			
Aid to Public Works and Land Settlement Act, 1904	750,000	0	0			
Aid to Public Works and Land Settlement Act, 1905	1,000,000	0	0			
Aid to Public Works and Land Settlement Act, 1906	989,700	0	0			
Aid to Public Works and Land Settlement Act, 1907	1,000,000	0	0			
Aid to Public Works and Land Settlement Act, 1908	1,250,000	0	0			
Aid to Public Works and Land Settlement Act, 1909	1,000,000	0	0			
Aid to Public Works and Land Settlement Act, 1910	1,750,000	0	0			
Aid to Public Works and Land Settlement Act, 1911	1,500,000	0	0			
Aid to Public Works and Land Settlement Act, 1912	1,748,900	0	0			
Aid to Public Works and Land Settlement Act, 1913	1,750,000	0	0			
Aid to Public Works and Land Settlement Act, 1914	3,000,000	0	0			
Aid to Public Works and Land Settlement Act, 1921	5,061,533	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	2,126,013	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	4,319,594	10	3			
Finance Act, 1928, Section 2	3,185,132	14	8			
Finance Act, 1929, Section 2	4,097,119	4	6			
Finance Act, 1930 (No. 2), Section 2	5,000,000	0	0			
Finance Act, 1931 (No. 4), Section 2	3,000,000	0	0			
Finance Act (No. 3), 1934, Section 2	4,000,000	0	0			
Finance Act (No. 2), 1936, Section 2	6,000,000	0	0			
Finance Act, 1937, Section 11	6,000,000	0	0			
Finance Act, 1938, Section 2	8,000,000	0	0			
Finance Act, 1939, Section 2	8,927,310	0	0			
Stock issued for Expenses of Conversion, 1930–31	360,835	18	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			
Appropriation Act, 1912	15,000	0	0			
Irrigation and Water-supply Act, 1912	100,000	0	0			
Balances transferred from Separate Accounts, 1931–32— £ s. d.						
Waihou and Ohinemuri Rivers Improvement Account 5,518 10 10						
Education Loans Account 12,867 3 9						
Railways Improvement Authorization Act 1914 Account 420,783 17 4						
Native Land Settlement Account 3,445 4 10						
£ s. d.						
Hauraki Plains Settlement Account 44 10 4						
Rangitaiki Land Drainage Account 10,797 5 0						
Swamp Land Drainage Account .. 9,008 19 1						
19,850 14 5						
Utilized for redemptions .. 19,850 14 5						
..	442,614	16	9			
Carried forward	..			144,122,397	6	3

Table No. 12—*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, 1941—*continued.*

WAYS AND MEANS—*continued.*	£ s. d.	£ s. d.
Brought forward	..	144,122,397 6 3
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	70,838 6 11	
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	
Finance Act, 1932, Section 7 (4)—		
Sale of land under Hauraki Plains Act, 1926	78,848 16 9	
Small-farms Development	378,600 10 2	
Receipts under Section 12 of Native Land Amendment Act, 1932..	40,092 12 2	
Agriculture (Emergency Powers) Act, 1934, Section 26	6,199 18 9	
Finance Act, 1932 (No. 2), Section 6—		
Transfer from Land for Settlements Account..	4,237 12 0	
Finance Act, 1932 (No. 2), Section 16—		
Transfer from Land for Settlements Account	43 6 8	
Transfer from State Forests Account	14 17 1	
Receipts under the Native Housing Act, 1935	19,900 14 1	
Finance Act, 1932, Section 55	243,125 0 0	
		16,448,620 7 5
		£160,571,017 13 8
NET EXPENDITURE.		
Expenditure on—		
Immigration	3,312,484 14 4	
Public Works, Departmental	3,798,799 9 0	
Railways, including Surveys of New Lines and Payment to Midland Railway Bondholders	69,905,883 0 11	
Roads	28,039,871 10 7	
Land-purchases	2,148,248 8 2	
Small-farms Development	2,429,825 1 5	
Development of Mining	879,714 10 11	
Telegraph Extension	13,549,466 0 9	
Public Buildings	19,236,350 13 6	
Lighthouses, Harbour-works, and Harbour-defences	1,425,344 17 7	
Contingent Defence	1,389,448 17 9	
Rates on Native Lands	68,671 16 10	
Thermal Springs	14,599 13 2	
Development of Tourist Resorts	828,103 2 1	
Lands Improvement	1,648,209 6 8	
Swamp Land Drainage	109,404 4 3	
Plant, Material, and Services	134,825 11 3	
Charges and Expenses of raising Loans	3,998,827 15 4	
Coal-mines	10,835 8 0	
Interest and Sinking Fund	218,500 0 0	
Irrigation and Water-supply	2,577,785 17 4	
Motor Transport Service	33,635 5 3	
Transfer to Main Highways Account, Construction Fund	1,226,000 0 0	
Native Land Settlement	1,772,810 16 10	
Dairy Industry Loans	46,124 13 0	
Linen-flax Development	245,976 17 9	
		159,049,747 12 8
Balance on 31st March, 1941—		
Cash in the Public Account	557,425 1 0	
Investments	963,845 0 0	
		1,521,270 1 0
		£160,571,017 13 8

Table No. 13.

STATEMENT SHOWING THE AMOUNT CHARGED TO "UNAUTHORIZED" IN EACH FINANCIAL YEAR FROM 1ST APRIL, 1931, TO 31ST MARCH, 1941.

FINANCIAL YEAR.	CONSOLIDATED FUND.—ORDINARY REVENUE ACCOUNT.			OTHER ACCOUNTS.	PUBLIC WORKS FUND.	TOTAL.
	Services not provided for.	Excess of Votes.	Total			
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1931–1932..	18,698 6 0	19,182 17 10	37,881 3 10	21,577 6 4	1,376 10 3	60,835 0 5
1932–1933..	45,724 18 4	16,005 18 3	61,730 16 7	57,667 1 10	40,160 8 3	159,558 6 8
1933–1934..	3,643 17 10	8,326 0 3	11,969 18 1	8,288 2 5	1 12 5	20,259 12 11
1934–1935..	17,313 13 4	69,966 7 1	87,280 0 5	47,973 11 7	21,384 12 0	156,638 4 0
1935–1936..	13,346 5 0	126,457 14 3	139,803 19 3	108,641 5 3	13 18 5	248,459 2 11
1936–1937..	36,790 15 3	113,473 1 4	150,263 16 7	81,170 9 10	2,002 19 6	233,437 5 11
1937–1938..	88,651 10 2	138,382 16 1	227,034 6 3	6,100 2 8	14,120 10 9	247,254 19 8
1938–1939..	374,579 19 8	415,576 1 5	790,156 1 1	143,575 7 1	165,951 12 8	1,099,683 0 10
1939–1940..	199,814 2 7	478,918 11 0	678,732 13 7	45,816 17 1	31,413 13 10	755,963 4 6
1940–1941..	29,047 7 11	228,973 11 8	258,020 19 7	135,180 7 0	32,643 16 7	425,845 3 2

Table No. 14.

STATEMENT SHOWING THE AVAILABLE FINANCIAL RESOURCES OF THE VARIOUS ACCOUNTS ON THE 31ST MARCH, 1941, AS COMPARED WITH THE 31ST MARCH, 1940.

Account.	1941.			1940.		
	Balance on 31st March, 1941.	Liabilities on 31st March, 1941.	Unexhausted Authority for raising Loan on 1st April, 1941.	Balance on 31st March, 1940.	Liabilities on 31st March, 1940.	Unexhausted Authority for raising Loan on 1st April, 1940.
	£	£	£	£	£	£
Consolidated Fund—						
Ordinary Revenue	3,779,150	1,043,589	..	2,052,526	1,072,608	..
Public Works Fund—						
General Purposes..	1,521,270	627,790	10,112,690	1,288,991	634,572	12,592,255
Electric Supply	186,232	274,474	1,615,692	50,887	151,701	1,323,351
Electric Supply Sinking Fund ..	39,323	..	..	12,648	..	..
Bank of New Zealand Shares ..	1,859,375	..	..	1,859,375	..	..
Iron and Steel Industry	..	956	4,996,000	..	424	5,000,000
Land for Settlements	1,758,600	34,777	6,278,000	973,163	2,906	6,278,000
Loans Redemption	36,514	..	..	339,313	..	..
Main Highways	15,931	194,792	..	80,173	402,346	1,792,111
Public Debt Repayment	913,258	..	2,794,136	17,423	..	..
Reserve Fund	1,342,957	..	..	1,305,117	..	..
Samoan Loan Suspense	..	..	4,800	..	..	4,800
Social Security Fund	1,867,440	360,182	..	523,901	293,941	..
State Coal-mines	12,582	47,116	..	18,919	22,261	35,000
State Forests	40,012	25,050	1,290,225	42,920	23,141	585,225
War Expenses	4,428,548	2,276,785	18,871,462	953,380	507,552	6,713,946
Working Railways	1,331,338	404,763	..	994,555	431,447	..
Housing	..	68,150	5,200,000	..	5,654	2,950,000
Additional Unexhausted Authorities for raising Loans.						
Government Accident Insurance Act, 1908	..	..	23,000	..	..	23,000
State Fire Insurance Act, 1908 ..	..	..	98,000	..	..	98,000
Totals	19,132,530	5,369,424	51,284,005	10,513,291	3,548,553	37,395,688

Table No. 15.

PENSIONS AND BENEFITS.

STATEMENT OF AMOUNTS PAID ON ACCOUNT OF PENSIONS AND SOCIAL SECURITY BENEFITS FOR THE FINANCIAL YEARS ENDED 31ST MARCH FROM 1936 TO 1941.

	Year ended 31st March,					
	1936.	1937.	1938.	1939.	1940.	1941.
Pensions—	£	£	£	£	£	£
Blind	22,991	6,181	..	..	..	..
Civil Service Act, 1908 ..	4,676	4,106	3,632	3,256	3,130	2,647
Defence Act, 1909 ..	2,127	2,067	1,991	1,905	1,993	1,713
Epidemic	907	253	14	..	..	..
Judicature Act, 1908 ..	3,222	2,753	2,111	1,852	2,291	2,750
Police	1,575	1,849	1,820	1,783	1,720	1,666
War	1,349,447	1,483,345	1,597,524	1,616,248	1,673,730	1,663,600
War Veterans' Allowances	16,544	110,667	161,267	158,584	203,439	211,325
Miscellaneous 1938/39 Pension Instalments	..	..	..	..	38,947	..
Sundry	8,256	9,290	8,623	8,755	8,095	6,307
*Benefits—						
Old-age	1,718,601	2,413,103	3,235,057	3,577,129	6,517,899	7,101,346
Widows'	311,864	412,280	471,287	487,216	785,952	836,368
Orphans'	..	..	..	..	14,880	17,713
Family Allowance ..	149,043	130,730	106,402	84,436	252,562	411,811
Invalidity	..	278,579	632,829	750,748	942,196	999,648
Miners'	67,834	83,253	88,167	87,094	92,653	88,656
Maori War	2,577	1,972	1,806	1,338	1,103	744
Unemployment	..	..	..	..	434,497	299,161
Sickness	..	..	..	..	208,790	279,581
Emergency	..	..	..	..	86,711	130,096
Universal Superannuation	..	..	..	..	..	240,336
Totals	3,659,664	4,940,428	6,312,530	6,780,344	11,270,588	12,295,468

* Paid from Social Security Fund as from 1st April, 1939.

Table No. 16.

EDUCATION EXPENDITURE.

TOTAL EXPENDITURE ON EDUCATION OUT OF PUBLIC FUNDS, INCLUDING PRIMARY, SECONDARY, HIGHER EDUCATION, TECHNICAL AND SPECIAL SCHOOLS, AND CHILD WELFARE, 1913-14 TO 1940-41.

Year.	Consolidated Fund.					Loan-money: Erection of School Buildings and Residences.		Total.	Per Head of Mean Population.
	Special Acts.	National Endowment Revenue.	Vote, Education (excluding Superannuation Subsidies).	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	244,732	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	86,716	2,752,271	118,973*	68,000	..	462,212	3,617,046	2 13 2
1925-26 ..	111,389	87,512	2,851,719	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
1930-31 ..	125,331	94,506	3,230,200	106,405*	46,907	..	491,974	4,095,323	2 14 8
1931-32 ..	82,163	79,375	2,851,922	88,207*	46,935	259,148	..	3,407,750	2 4 11
1932-33 ..	..	51,938	2,574,929	85,716*	47,043	52,623	..	2,812,249	1 16 9
1933-34 ..	..	53,221	2,480,055	107,129	57,294	51,435	..	2,749,134	1 15 8
1934-35 ..	..	87,207	2,550,100	128,738	165,306	51,289	..	2,982,640	1 18 5
1935-36 ..	..	95,968	2,747,582	118,883	170,026	121,424	..	3,253,883	2 1 4‡
1936-37 ..	..	95,526	3,348,449†	88,713	169,362	268,884	..	3,970,934	2 10 3
1937-38 ..	..	99,540	3,629,906†	159,955	177,178	546,434	..	4,613,013	2 17 1
1938-39 ..	..	101,721	4,052,582§	107,559	167,064	660,480	..	5,089,406	3 6 9
1939-40 ..	..	..	4,424,148†	133,554	155,842	843,064	..	5,556,608	3 8 0
1940-41 ..	..	..	4,559,075	77,181	162,572	541,136	..	5,339,964	3 5 3

* Net revenue after deducting expenses and cost of collection. † Includes charges to "Unauthorized."
‡ On census results. § £3,149 Miscellaneous Revenue not taken into account.

Additional amounts are available from revenue from reserves vested in post-primary schools and University colleges as follows:—

	£
Post-primary schools	29,308
University colleges	16,422
	£45,730

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

Year ended 31st March,	Amount. £	Year ended 31st March,	Amount. £
1916–17 ..	2,127	1929–30 ..	6,357
1917–18 ..	2,658	1930–31 ..	6,671
1919–20 ..	15,682	1931–32 ..	7,768
1920–21 ..	16,162	1932–33 ..	6,424
1921–22 ..	27,103	1933–34 ..	3,846
1922–23 ..	8,542	1934–35 ..	8,541
1923–24 ..	12,490	1935–36 ..	5,149
1924–25 ..	32,829	1936–37 ..	6,831
1925–26 ..	4,938	1937–38 ..	7,952
1926–27 ..	10,337	1938–39 ..	13,266
1927–28 ..	12,474	1939–40 ..	10,931
1928–29 ..	12,197	1940–41 ..	19,956

Table No. 17.

PUBLIC DEBT.

Maturity and Domicile of Debt outstanding, 31st March, 1941.

Date of Maturity. From 1st April,	To 31st March,	Due in London.	Australia.	New Zealand. Public.	New Zealand. Departmental.	Total Debt (Nominal Amount).
		£	£	£	£	£
Overdue		..	..	4,220	..	4,220
Treasury bills	..	..	..	17,256,800	13,476,500	30,733,300
Memoranda of Security	..	4,515,662	..	..	..	4,515,662
1925†	1946	2,090,909*	..	..	..	2,090,909
1938‡	1942	..	..	2,805,315	195,700	3,001,015
1939‡	1942	..	..	4,526,145	87,360	4,613,505
1939‡	1943	..	..	13,658,860	100	13,658,960
1940	1945	12,588,700	..	..	..	12,588,700
1941	1942	..	17,300	37,000	..	54,300
1942‡	1946	..	..	9,208,995	631,860	9,840,855
1942†	1963	10,505,989	..	378,639	..	10,884,628
1943	1944	7,339,656	..	..	..	7,339,656
1944	1945	7,780,408	..	246,415	12,610	8,039,433
1945	1946	22,543,590	..	943,466	..	23,487,056
1946	1947	..	..	425,149	1,232,743	1,657,892
1946‡	1950	..	..	8,302,425	660,780	8,963,205
1947	1948	11,341,609	83,300	2,476,650	1,501,600	15,403,159
1947†	1958	19,225,465	..	..	..	19,225,465
1948	1949	..	..	4,963,190	44,000	5,007,190
1948†	1954	5,791,201	..	..	..	5,791,201
1949	1950	7,500,000	..	..	..	7,500,000
1949‡	1953	..	..	12,484,105	..	12,484,105
1950	1951	1,250,000	779,000	250,000	..	2,279,000
1952	1956	12,000,000†	..	7,974,005‡	1,524,770‡	21,498,775
1952‡	1957	..	..	6,800,225	2,315,765	9,115,990
1953	1954	..	..	9,282,337	270	9,282,607
1954	1959	..	..	5,198,960	339,150	5,538,110
1955	1956	..	..	750	461,700	462,450
1955‡	1960	..	..	1,541,700	155,080	1,696,780
1955†	1961	4,780,301	..	..	..	4,780,301
1956	1957	12,900	..	2,710	2,622,395	2,638,005
1956†	1972	5,000,000	..	..	..	5,000,000
1957	1958	..	..	10,550	20,889,317	20,899,867
1958	1959	..	..	4,500	24,503,894	24,508,394
1959	1960	..	..	..	9,309,250	9,309,250
1960	1961	..	..	264,950	..	264,950
Interest-free§	..	5,000	..	1,163,481	..	1,168,481
‖	1946	577,446‖	..	..	..	577,446
‖	1958	23,522,753‖	..	..	..	23,522,753
Totals	..	158,371,589	879,600	110,211,542	79,964,814	349,427,575

* Advances by Imperial Government for State Advances purposes. † Government has option to redeem at par on or after the earlier date on giving notice in the *London Gazette*. ‡ Government has option to redeem on or after the earlier date on giving three months' notice in the *New Zealand Gazette*. § Interest-free loans are for various periods, the bulk being for the duration of the war and six months thereafter. ‖ Imperial Government advances funded in terms of section 3, Finance Act, 1922. Payments at present suspended.

No. 18.

EXTERNAL TRADE.

STATEMENT SHOWING THE RECORDED, STERLING, AND NEW ZEALAND CURRENCY VALUES OF IMPORTS AND EXPORTS OF THE DOMINION IN EACH FINANCIAL YEAR ENDED 31ST MARCH FROM 1932 TO 1941 (EXCLUDING SPECIE).

Year ended 31st March.	Exports.		Imports.		Excess of Exports.	
	New Zealand Currency.	Sterling Equivalent.	New Zealand Currency.	Sterling Equivalent.	New Zealand Currency.	Sterling Equivalent.
	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)
1932	33,943	30,857	24,761	22,510	9,182	8,347
1933	37,510	32,677	25,059	22,049	12,451	10,628
1934	46,043	36,834	26,136	20,908	19,907	15,926
1935	44,918	35,985	32,568	26,082	12,350	9,903
1936	49,676	39,900	37,440	30,072	12,236	9,828
1937	60,234	48,381	47,621	38,250	12,613	10,131
1938	65,008	52,215	58,065	46,638	6,943	5,577
1939	57,867	46,415	54,408	43,657	3,459	2,758
1940	59,684	47,747	45,572	36,457	14,112	11,290
1941	71,179	56,943	47,918	38,334	23,261	18,609

Table No. 19.

IMPROVEMENT IN ECONOMIC CONDITIONS.

TABLE OF MISCELLANEOUS STATISTICAL INFORMATION (ON A MARCH YEAR BASIS) SHOWING THE MOST RECENT FIGURES COMPARED WITH 1934–35, 1935–36, AND THE LOWEST POINT IN THE DEPRESSION.

—	Unit.	Lowest Figure.		1934–35.		1935–36.		Latest Figure.	
		Year ended 31st March,	Amount.	Year ended 31st March,	Amount.	Year ended 31st March,	Amount.	Year ended 31st March,	Amount.
Value of total production	£(m.)	1932*	83·3	1935*	97·0	1936*	114·2	1940*	143·5
Value of farm production	,,	1932*	49·2	1935*	59·2	1936*	72·5	1940*	84·4
Value of factory production† ..	,,	1933*	17·7	1935*	20·7	1936*	23·2	1940*	33·5
Aggregate private income	,,	1933	91·7	1935	106·4	1936	124·3	1940	200·3
Salaries and wages payments ..	,,	1933	58·9	1935	65·7	1936	72·5	1941	123·5
Gross farming income	,,	1933*	38·1	1935*	46·1	1936*	57·8	1940*	73·6
Exports (excluding specie)	,,	1932	33·9	1935	44·9	1936	49·7	1941	71·2
Imports (excluding specie)	,,	1932	24·8	1935	32·6	1936	37·4	1941	47·9
Bank deposits (excluding Government)	,,	1932	51·0	1935	62·3	1936	62·1	1941	78·1
Bank debits (excluding Government)	,,	1933	539·7	1935	660·3	1936	732·8	1941	1,058·4
Net bank-note circulation	,,	1932	5·8	1935	6·3	1936	6·6	1941	15·5
Building permits issued in larger centres—									
Total value	,,	1933	2·1	1935	3·1	1936	5·0	1941	9·4
Dwellings	Number	1933	997	1935	2,173	1936	3,181	1941	5,999
Mortgages registered	£(m.)	1934	7·8	1935	11·8	1936	16·2	1941	16·3
Mortgages discharged	,,	1933	8·1	1935	13·7	1936	17·6	1941	15·9
Land transfers	,,	1934	9·6	1935	12·2	1936	15·6	1941	25·7
Totalisator investments	,,	1933	3·3	1935	3·9	1936	4·5	1941	8·3
Radio-receiving licenses	(000)	..	..	1935‡	152·8	1936‡	192·3	1941‡	355·4
Post Office Savings-bank—									
New deposits	£(m.)	1933	16·9	1935	24·2	1936	25·6	1941	28·6
Amount to credit of depositors ..	,,	1933	42·0	1935	49·4	1936	52·9	1941	63·0
Sales-tax collected	,,	1934	1·8	1935	2·2	1936	2·5	1941	3·5
Electric-power production (units) ..	Million	..	..	1935	916·3	1936	1,031·7	1940	1,631·3
Railways: Net ton-miles run ..	,,	1933	363·4	1935	419·7	1936	443·6	1941	659·7
Shipping: Manifest tonnage ..	,,	1934	5·7	1935	6·3	1936	6·7	1941	8·0
Motor-vehicles licensed	Number	1933‡	195,019	1935‡	209,462	1936‡	228,247	1941‡	313,087
Total factory employees	(000)	1934	86·0	1935	93·6	1936	102·3	1941	132·9
Index-numbers of—									
Export prices (1909–13 = 1000) ..	Number	1932§	892	1934§	1109	1935§	1102	1940§	1524
Wholesale prices (1926–30 = 1000)	,,	1932§	878	1934§	909	1935§	937	1940§	1195
Retail prices—									
Food groups (1926–30 = 1000) ..	,,	1933§	732	1934§	771	1935§	835	1940§	1076
All groups (1926–30 = 1000) ..	,,	1933§	795	1934§	808	1935§	837	1940§	1035
Wage-rates—									
Nominal (1926–30 = 1000) ..	,,	1933§	833	1934§	839	1935§	858	1940§	1130
Effective (1926–30 = 1000) ..	,,	1932§	1031	1934§	1038	1935§	1025	1940§	1092
Share prices (1926 = 1000) ..	,,	1932§	703	1934§	960	1935§	1026	1940§	914

* Production year—approximately twelve months ended June. † Does not include factory processing of primary products. ‡ As at end of March.
§ Calendar year.

TABLE No. 20.

INDEX NUMBERS OF VALUE AND VOLUME OF PRODUCTION AND OF GOODS AVAILABLE FOR CONSUMPTION WITHIN NEW ZEALAND.
(Base: 1938–39 = 100.)

Production Year.	Farm.		Factory.*		Total New Zealand Production.		Goods available for New Zealand Consumption.							
							New-Zealand-produced.		Imported.		Total.		Total other than Capital Goods.	
	Value.	Volume.	Value.	Volume.	Value.	Volume.	Value.	Volume.	Value.	Volume.	Value.	Volume.	Value.	Volume.
1928–29	102	83	79	69	94	80	91	83	82	74	88	80	96	84
1929–30	92	86	84	72	89	83	95	89	87	81	92	86	101	91
1930–31	69	84	76	66	72	79	78	80	62	60	71	72	80	79
1931–32	61	84	61	56	62	76	63	72	44	45	55	61	64	69
1932–33	63	96	58	57	62	83	60	73	45	46	54	62	64	71
1933–34	79	100	61	60	73	87	65	76	47	49	58	64	66	71
1934–35	74	95	68	69	72	87	70	83	61	63	66	75	74	80
1935–36	90	103	76	76	85	94	79	88	70	74	75	82	81	85
1936–37	110	105	88	90	101	99	93	96	89	91	91	94	97	97
1937–38	103	103	98	96	100	100	96	99	102	102	98	100	101	102
1938–39	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1939–40	105	101	110	109	106	104	101	106	82	76	93	94	90	92

Copy of Prospectus of 1940 War Loan.

Dominion of New Zealand.

NEW ZEALAND GOVERNMENT WAR LOAN, 1953.

ISSUE OF STOCK: REPAYABLE 1ST OCTOBER, 1953.

Proceeds to be used for equipping and maintaining the armed forces of the Dominion, and for other war purposes.

STOCK of this issue is non-interest bearing up to the 1st October, 1943. Interest will be paid thereafter at the rate of 2½ per cent. per annum. A first interest payment of £1 5s. per cent. will be made on the 1st April, 1944.

Price of Issue: £100 per cent.

Payable as follows:—

On application	£30 per cent.
On 16th December, 1940	£40 per cent.
On 25th March, 1941	£30 per cent.

Authorized to be raised in accordance with the provisions of the New Zealand Loans Act, 1932, whereby the interest and principal are a direct charge upon the public revenues of the Dominion.

The Minister of Finance has indicated that for the purposes of the Finance Emergency Regulations 1940 (No. 2) he will not regard any person as having subscribed in due proportion to his means unless such person has subscribed to this Loan at least the amount of the income-tax payable by him in respect of income derived during the year ended 31st March, 1939, being the tax normally payable in February, 1940, decreased in the case of individuals by £50 and in the case of companies by £70. For the purposes of computing this minimum subscription, which must be calculated to the nearest multiple of £10, any income that was free of income-tax in the hands of the recipient shall be deemed to have been subject to such taxation. The tax-free income which would be taken into account in this way includes dividends other than those from companies incorporated in New Zealand, interest from tax-free Government Stock and from tax-free company debentures, tax-free income derived from abroad, and also farming income where the land used had an unimproved value of less than £3,000.

The Trustee Act, 1908, authorizes trustees to invest in Government securities, and special provisions affecting trustees are contained in Regulation 20 of the Finance Emergency Regulations 1940 (No. 2), the effect of which is that no obligation or limitation imposed on any trustee by virtue of any trust, instrument, or otherwise shall prevent or excuse him from compliance with any direction, notice, or requirement under those Regulations.

Any person who prior to the issue of this Prospectus has made a loan free of interest to the Government for the purposes of the War Expenses Account established under Part I of the War Expenses Act, 1939, may apply to convert such loan in whole or in part into an equivalent amount of stock of this issue, in which case (but not otherwise) the amount of such original loan thus converted will be regarded as a contribution to this Loan.

Any person who makes or has made a gift to the War Expenses Account may reduce his contribution to this loan by the amount of such gift.

The RESERVE BANK OF NEW ZEALAND gives notice that, on behalf of the Minister of Finance, it is authorized to receive applications for the issue of stock in terms of this Prospectus.

The proceeds of the issue will be paid into the War Expenses Account established under Part I of the War Expenses Act, 1939.

The loan will be repaid at par at the Reserve Bank of New Zealand, Wellington, on the 1st October, 1953, but any stock issued to a person in response to an application made in terms of this Prospectus will be accepted at par at any time before maturity in payment of death duties in respect of that person's estate.

The ultimate repayment of the Public Debt of the Dominion is, in the main, provided for under the Repayment of the Public Debt Act, 1925, in pursuance of which New Zealand's debt-reduction resources shall be applied in the purchase and redemption of New Zealand Government securities at or before maturity. For this purpose there is issued annually out of the Consolidated Fund a sum equal to ½ per cent. of the Debt affected, and to this is added a sum equal to interest at 3½ per cent. per annum of the Debt paid off under this scheme. The Repayment of the Public Debt Act applies to the major portion of the Dominion's Debt, certain loans for which adequate sinking-fund provisions are specifically provided, and also the portion of New Zealand's War Debt funded with the Imperial Government, having been excluded from the Debt Repayment Scheme.

Securities.—New Zealand Government Stock transferable by Memorandum of Transfer will be issued on or after the 25th March, 1941, on surrender of fully-paid Allotment Letters.

Transfers.—The Register of Stock will be kept at the Reserve Bank of New Zealand, Wellington, where transfers will be registered without payment of any fee. Stock will be transferable in amounts of £5 or multiples thereof.

Certificates of Title.—If Certificates of Title evidencing ownership of the stock are required applications should be made on the prescribed form. No fee is payable for the issue of a Certificate of Title.

Interest.—Interest on stock of this issue will not commence until the 1st October, 1943. Thereafter interest will be paid half-yearly on the 1st April and the 1st October: the first payment, being a full six months' interest at the rate of 2½ per cent. per annum, will be made on the 1st April, 1944. Interest will be paid free of inland exchange by means of interest warrants, which will be transmitted by post at the risk of the stockholder. The Reserve Bank of New Zealand will accept directions from stockholders for payment of interest to any agent in the Dominion; existing instructions for the payment of interest in the Dominion will obtain in respect of this Loan.

Stamp Duty.—Transfers of stock of this issue will be exempt from Stamp Duty.

Minors.—Any person of the age of ten years or upwards may be registered as the holder of stock and may execute transfers thereof.

Exchange on Remittances.—Cheques in payment of amounts subscribed to this Loan will be accepted free of inland exchange.

Cash Applications.—Cash Applications, on the prescribed form, will be received at the Reserve Bank of New Zealand, Wellington; at the District Treasury Offices at Auckland, Christchurch, or Dunedin; at any branch of any Bank in the Dominion, or at any Postal Money-order Office in New Zealand.

Applications must be for sums of £10 or for a multiple thereof, and must be accompanied by a deposit of £30 per cent. of the nominal amount of stock applied for.

Default in payment at its proper date of any instalment will render any amounts previously paid liable to forfeiture and the allotment to cancellation, and the applicant will not be regarded as having contributed to this Loan.

Prepayment in full or in part may be made at any time.

Conversion Offer. Persons who prior to the issue of this Prospectus have made loans free of interest to the Government for the purposes of the War Expenses Account established under Part I of the War Expenses Act, 1939, are offered conversion into an equal nominal amount of stock of this issue.

Persons wishing to avail themselves of the offer of conversion in accordance with the terms set forth in this Prospectus must transmit their applications on the prescribed forms, accompanied by relative documents of title, if any, to the Reserve Bank of New Zealand, Wellington.

Copies of this Prospectus and forms of cash application may be obtained at the Reserve Bank of New Zealand, Wellington; at the District Treasury Offices at Auckland, Christchurch, or Dunedin; at any branch of any Bank in the Dominion; at any Postal Money-order Office in New Zealand; or from members of any Stock Exchange in the Dominion.

Forms of application for the conversion offer are obtainable at the Reserve Bank of New Zealand, Wellington, only.

The list of Applications will be opened forthwith and will be closed on the 18th October, 1940.

Reserve Bank of New Zealand, Wellington, 26th September, 1940.

Copy of Prospectus of National Development Loans.

Dominion of New Zealand.

NEW ZEALAND GOVERNMENT NATIONAL DEVELOPMENT LOANS.

Interest payable 15th January and 15th July.

Issue of Stock in either of the following forms:—

$3\frac{1}{4}$-PER-CENT. STOCK REPAYABLE 15TH JANUARY, 1956–1959.	3-PER-CENT. STOCK REPAYABLE 15TH JULY, 1945.
First interest payment, 15th July, 1941.	First interest payment, 15th July, 1941.
Price of issue: £97 5s. per cent.	*Price of issue: £100 per cent.*
Payable on application.	Payable on application.

Authorized to be raised in accordance with the provisions of the New Zealand Loans Act, 1932, whereby the interest and principal are a direct charge upon the public revenues of the Dominion.

Trustees may invest in this Loan under the powers of the Trustee Act, 1908, unless expressly forbidden by the instrument (if any) creating the Trust.

The RESERVE BANK OF NEW ZEALAND gives notice that, on behalf of the Minister of Finance, it is authorized to receive applications for the issue of stock in terms of this Prospectus.

The proceeds of these Loans are to be utilized for general developmental purposes comprising railway construction and improvement, hydro-electric development, land development and afforestation, housing, roads and highways, and public buildings, including telegraph and telephone extension.

If not previously redeemed, the $3\frac{1}{4}$ per cent. Loan 1956–1959 will be paid off at par at the Reserve Bank of New Zealand on the 15th January, 1959, but the Minister of Finance reserves the right to repay at par at any time on or after the 15th January, 1956, on giving three months' notice in the *New Zealand Gazette* of his intention to repay.

If not previously redeemed, the 3 per cent. Loan 1945 will be paid off at par at the Reserve Bank of New Zealand on the 15th July, 1945.

The ultimate repayment of the Public Debt of the Dominion is, in the main, provided for under the Repayment of the Public Debt Act, 1925, in pursuance of which New Zealand's debt-reduction resources shall be applied in the purchase and redemption of New Zealand Government securities at or before maturity. For this purpose there is issued annually out of the Consolidated Fund a sum equal to $\frac{1}{2}$ per cent. of the Debt affected, and to this is added a sum equal to $3\frac{1}{2}$ per cent. per annum of the Debt paid off under this scheme. The Repayment of the Public Debt Act applies to the major portion of the Dominion's Debt, certain loans for which adequate sinking-fund provisions are specifically provided, and also the portion of New Zealand's War Debt funded with the Imperial Government, having been excluded from the Debt Repayment Scheme.

Securities.—New Zealand Government Stock will be issued in either of the following forms as applicants may direct:—

(1) Registered Stock transferable by Memorandum of Transfer.

(2) Stock Certificate(s) to bearer with coupons annexed.

Registered Stock will be convertible into Stock Certificates to bearer, and Stock Certificates will be convertible into Registered Stock, *without payment of any fee.*

Transfers.—The Register of Stock will be kept at the Reserve Bank of New Zealand, Wellington, where transfers will be registered without payment of any fee. Stock will be transferable in amounts of £5 or multiples thereof.

Stock Certificates (until the name of some person is inserted therein as the holder) are transferable by delivery.

Certificates of Title.—If Certificates of Title evidencing ownership of the stock are required applications should be made on the prescribed form. No fee is payable for the issue of a Certificate of Title.

Interest.—Interest will be paid half-yearly on the 15th January and 15th July. The first interest payment will be calculated from the date on which the application, accompanied by payment in full, is lodged with any Receiving Agency nominated in this Prospectus, and will be made on the half-yearly interest date next following that date.

Interest on Registered Stock will be paid free of inland exchange by means of interest warrants, which will be transmitted by post at the risk of the stockholder. The Reserve Bank of New Zealand will accept directions from stockholders for payment of interest to any agent in the Dominion; existing instructions for the payment of interest in the Dominion will obtain in respect of these Loans.

Interest on Stock Certificates to bearer will be paid free of inland exchange by means of coupons annexed to the Certificates. Interest coupons may be presented at the Reserve Bank of New Zealand, Wellington; at any branch of the Bank of New Zealand in the Dominion; or at any Postal Money-order Office in New Zealand.

Stamp Duty.—Transfers of this stock will be exempt from Stamp Duty.

Minors.—Any person of the age of ten years or upwards may be registered as the holder of stock and may execute transfers thereof.

Exchange on Remittances.—Cheques in payment of amounts subscribed to this Loan will be accepted *free of inland exchange.*

Applications.—Applications, which must be accompanied by a remittance for the full issue price of the stock applied for, will be received at the Reserve Bank of New Zealand, Wellington; at the District Treasury Offices at Auckland, Christchurch, or Dunedin; at any branch of any Bank in the Dominion, or at any Postal Money-order Office in New Zealand.

Applications must be for sums of £10 or for a multiple thereof.

Commission at the rate of 5s. per £100 stock will be allowed to bankers and registered sharebrokers on applications bearing their stamp.

Copies of this Prospectus and forms of application may be obtained at the Reserve Bank of New Zealand, Wellington; at the District Treasury Offices at Auckland, Christchurch, or Dunedin; at any branch of any Bank in the Dominion; at any Postal Money-order Office in New Zealand; or from members of any Stock Exchange in the Dominion.

The list of applications will be opened forthwith and may be closed as regards either stock at any time determined by the Minister of Finance.

Reserve Bank of New Zealand, Wellington, 3rd January, 1941.

Copy of Prospectus of 1941 Conversion Loans.

Dominion of New Zealand.

NEW ZEALAND GOVERNMENT CONVERSION LOANS.

Interest payable 15th September and 15th March.

ISSUE OF 3¼-PER-CENT. STOCK WITH A PREMIUM (repayable 15th September, 1957–60), and 3-PER-CENT. STOCK AT PAR (repayable 15th September, 1946–48), in exchange for—

3-per-cent. Stock and Debentures maturing 15th July, 1941.
3¾-per-cent. Stock and Debentures maturing 15th November, 1941.
3½-per-cent. and 4-per-cent. Stock maturing 15th March, 1943.

Authorized to be raised in accordance with the provisions of the New Zealand Loans Act, 1932, *whereby the interest and principal are a direct charge upon the public revenues of the Dominion.*

Trustees are authorized by the Trustee Act, 1908, *to invest in New Zealand Government stocks unless expressly forbidden by the instrument (if any) creating the Trust.*

The RESERVE BANK OF NEW ZEALAND gives notice on behalf of the Minister of Finance that New Zealand Government securities will be repaid as indicated hereunder:—

Securities to be repaid at Maturity. 3-per-cent. stock and debentures maturing 15th July, 1941.

Securities to be repaid before Maturity.—Notice has been given in the *New Zealand Gazette* of intention to repay the New Zealand Government securities described below on the dates indicated opposite the respective securities:—

Description of Security.	Date on which Repayment will be made.
3¾-per-cent. stock and debentures maturing on 15th November, 1941	15th August, 1941.
3½-per-cent. and 4-per-cent. stock maturing on 15th March, 1943 ..	15th September, 1941.

Interest on Securities being Repaid.—Interest on the securities to be repaid will be calculated up to and paid on the date fixed for repayment, after which interest will cease.

Interest payable for any period being less than a full half-year will be calculated on a daily basis and paid by warrants which will be transmitted by post.

Offer of Conversion.—The Reserve Bank of New Zealand gives notice that on behalf of the Minister of Finance it is authorized to receive application for the issue of stock in conversion of any or all of the above securities.

In accordance with the terms of this Prospectus holders of the securities to be repaid are offered conversion of their securities, as from the date fixed for repayment, into an equal nominal amount (subject to the offer of a premium as set out below) of the following securities namely:—

$3\frac{1}{4}$-per-cent. stock maturing 1957–60 } Interest payable half-yearly on 15th March and 15th
3-per-cent. stock maturing 1946–48 } September.

The first payment of interest on the new securities issued in conversion of the 3-per-cent. stock and debentures maturing 15th July, 1941, and the $3\frac{3}{4}$-per-cent. stock and debentures maturing 15th November, 1941, will be calculated from the dates of conversion as set out hereunder to the 15th September, 1941, and paid on that date: thereafter interest on the new conversion securities will be paid half-yearly on the 15th March and 15th September.

Securities eligible for Conversion.	Date of Conversion if Offer of Conversion accepted.
3-per-cent. stock and debentures maturing 15th July, 1941	15th July, 1941.
$3\frac{3}{4}$-per-cent. stock and debentures maturing 15th November, 1941 ..	15th August, 1941.
$3\frac{1}{2}$-per-cent. and 4-per-cent. stock maturing 15th March, 1943	15th September, 1941.

Premium on Conversion.—Holders who convert into the $3\frac{1}{4}$-per-cent. loan maturing 1957–60 in terms of this Prospectus will receive a premium of £3 per centum on the nominal value of the securities surrendered for conversion.

Such premium will be met by the issue of securities in the new loan for amounts of £5 or multiples thereof. Fractional amounts of £5 will be paid in cash on the respective conversion dates.

Death Duty Stock.—Any person who accepts the offer of conversion into either of the new issues may stipulate in the form of application that the whole or any portion of the stock (being a multiple of £5) to be issued to him will be available for payment of death duties in terms of section 40 of the New Zealand Loans Act, 1932.

The attention of persons who hold Death Duty stock in the loans to be repaid is directed to the fact that the condition of availability for payment of death duties will not attach to the securities to be issued in conversion unless the necessary stipulation is made in the form of conversion application.

Death Duty stock is not transferable as such from person to person but may be exchanged for ordinary stock which is transferable.

Death Duty stock will be issued in the form of stock only.

Applications.—Holders accepting the offer of conversion must transmit their applications on the prescribed form to the Reserve Bank of New Zealand, Wellington, or lodge them with the District Treasury Officer at Auckland, Christchurch, or Dunedin, or with any branch of any trading bank or at any postal money-order office in the Dominion, for transmission to the Reserve Bank.

Applications for conversion may be for the whole or a part of any holding to which this offer applies, but must be for a multiple of £5 and must be accompanied by any relative documents of title such as debentures or certificates of title to stock in cases where such certificates have been issued.

In the case of 3-per-cent. debentures maturing 15th July, 1941, the coupons in respect of interest due on that date should be detached before such debentures are surrendered for conversion: in the case of the $3\frac{3}{4}$-per-cent. debentures maturing 15th November, 1941, the interest coupons for the period subsequent to the 15th May, 1941, should be surrendered intact with the debentures.

Assented Stock.—From the date of the closing of the list for conversion applications until the respective closing dates of the Registers of Stock as specified in this Prospectus, holdings in respect of which conversion applications have been received will be regarded as "assented" stock.

Securities not Converted.—Any stock or debentures subject to the offer contained in this Prospectus and not converted will be repaid at par on the respective conversion dates.

In the case of stock a form of request for redemption should be completed and transmitted to the Reserve Bank of New Zealand, together with relative documents of title (if any). Repayment will be effected by means of a warrant forwarded by post.

In the case of $3\frac{3}{4}$-per-cent. debentures maturing 15th November, 1941, a form of request for redemption must be completed and transmitted to the Reserve Bank of New Zealand, together with the relative debentures with interest coupons for the period subsequent to the 15th May, 1941, intact. It is important that the interest coupons for the period mentioned be left attached to the debentures, as interest for the period 15th May, 1941, to 15th August, 1941, will be paid by warrant which will be forwarded direct from the Reserve Bank.

Debentures of the 3-per-cent. Loan maturing 15th July, 1941, should be presented to any branch of the Bank of New Zealand in New Zealand.

New Securities.—New Zealand Government Stock will be issued in the following forms as applicants may direct—

(*a*) Registered stock transferable by Memorandum of Transfer:
(*b*) Stock certificate(*s*) to bearer with coupons annexed:
(*c*) Death Duty stock under section 40 of the New Zealand Loans Act, 1932.

Registered stock may be converted into stock certificates to bearer, and stock certificates may be converted into registered stock in terms of the New Zealand Loans Act, 1932.

No fee is payable in respect of any such conversion.

Limitation on New Issues.—Stock and debentures surrendered for conversion will be replaced by new stock in accordance with this Prospectus and the application submitted, except that the right is reserved to limit allotments in either of the new issues to £15,000,000. Where on account of this limitation an allotment in full cannot be made the applicant will be offered conversion into the other issue.

Transfers.—The Register of Stock for both the new issues will be kept at the Reserve Bank of New Zealand, Wellington, where transfers will be registered without payment of any fee. Such stock will be transferable in amounts of £5 or multiples thereof.

Stock certificates (until the name of some person is inserted therein as the holder) are transferable by delivery.

Certificates of Title. If certificates of title evidencing ownership of the stock are required applications should be made on the prescribed form. No fee is payable for the issue of a certificate of title.

Repayment.—If not previously redeemed stock of the $3\frac{1}{4}$-per-cent. Loan 1957–60 will be repaid at par at the Reserve Bank of New Zealand on the 15th September, 1960, and stock of the 3-per-cent. Loan 1946–48 will be repaid at par at the Reserve Bank of New Zealand on the 15th September, 1948, but the Minister of Finance reserves the right to repay at par the $3\frac{1}{4}$-per-cent. Loan at any time on or after the 15th September, 1957, and the 3-per-cent. Loan at any time on or after the 15th September, 1946, on giving at least three months' notice in the *New Zealand Gazette* of his intention to repay.

Interest on New Securities.—Interest on registered stock of the new issues will be paid free of inland exchange by means of interest warrants which will be transmitted by post at the risk of the stock-holder. Existing instructions for the payment of interest in the Dominion will apply in respect of the new issues.

Subject to the provisions of the next succeeding paragraph, interest on stock certificates to bearer will be paid free of inland exchange by means of coupons annexed to the certificates. Interest coupons may be presented at the Reserve Bank of New Zealand, Wellington, at any branch of the Bank of New Zealand, or at any postal money-order office in New Zealand.

Interest payable on Stock Certificates for any period being less than a full half-year will be calculated on a daily basis and paid by warrant forwarded direct from the Reserve Bank, Wellington. The first interest coupon annexed to any stock certificate will cover the first full half-year's interest.

Closing of Registers.—The Registers will be closed for all transactions relating to the 3-per-cent. stock maturing 15th July, 1941, on the evening of the 14th June, 1941, the Registers relating to the $3\frac{3}{4}$-per-cent. stock maturing 15th November, 1941, on the evening of the 19th July, 1941, and the Registers relating to the $3\frac{1}{2}$-per-cent. and the 4-per-cent. stock maturing 15th March, 1943, on the evening of the 16th August, 1941. The final payment of interest and the repayment of principal will be made to the persons registered as owners of the respective stocks on the appropriate closing-dates specified, and conversion will be effected only in the names of the registered holders of the stock on those dates.

Commission.—Commission at the rate of five shillings per £100 nominal value of convertible securities will be allowed to bankers and registered sharebrokers on allotments made in respect of conversion acceptances bearing their stamp.

Copies of this Prospectus and forms of application may be obtained at the Reserve Bank of New Zealand, Wellington; at the District Treasury Offices at Auckland, Christchurch, or Dunedin; at any branch of any Trading Bank in New Zealand; or at any Postal Money-order Office in the Dominion.

The lists for the loans will be opened forthwith, and will be closed on the evening of the 14th June, 1941. The Reserve Bank, however, is authorized to accept applications after the closing date specified in any case where, in the opinion of the Bank, application prior to such date was impracticable.

Reserve Bank of New Zealand, Wellington, 15th May, 1941.

By Authority: E. V. PAUL, Government Printer, Wellington.—1941

Explanatory Note on Omission of B.–7 and B.–7A (Appropriations chargeable on Consolidated and Public Works Funds and other Accounts).

THE appropriations chargeable on the Consolidated Fund and on the Public Works Fund and other accounts have prior to the year 1939–40 been published in the Appendices under the description B.–7 and B.–7A respectively. The appropriations are compiled from the estimates of expenditure chargeable on the respective funds or accounts which have been submitted to and passed by the House. The estimates consist of the main estimates and the supplementary estimates. For reasons of economy the appropriations have not been printed separately. If it is desired to ascertain the amount appropriated for any particular item of the estimates, there must be added to the amount shown on the main estimates the amount, if any, for the same item shown on the supplementary estimates. The total amount appropriated for each vote on the estimates as opposed to the separate items of the vote (*e.g.*, Vote "Legislative") is shown in the summary published in the supplementary estimates. For the separate items, however, both main and supplementary estimates must be consulted. The estimates for the Consolidated Fund and for the Public Works Fund are shown separately. The same relative order is maintained in the supplementary estimates as in the main estimates.