

Whilst the wealth of the Dominion is sufficient to support any reasonable burden, the immense cost of the war, and the further expenditure that will be involved, render it imperative that economy should be exercised in every Department of State, and that the sources of national wealth should be augmented by every means possible.

SURPLUS.

The surplus for the year amounted to £2,299,416, and is arrived at as follows:—

	£	£
Revenue	26,081,340	
Expenditure	23,781,924	
	<hr/>	2,299,416
Add accumulated surplus at the end of the financial year 1918-19	15,239,561	
	<hr/>	<u>£17,538,977</u>

PUBLIC WORKS FUND.

The expenditure upon public works amounted to £2,021,153, or £813,232 over the expenditure of the year 1918-19.

The prosecution of several important works has been retarded owing to the fact that the supply of labour and materials has not proved equal to the demand.

Statement showing the Position of the Public Works Fund as at the 31st March, 1920.

	£
Balance brought forward on 1st April, 1919	186,199
Receipts,—	
Loan-money—	
Finance Act, 1918 (No. 2), section 29 (Aid to Public Works)	1,940,000
Other receipts	114,456
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	2,054,456
Expenditure,—	2,240,655
Under appropriation	2,020,714
Other expenditure	439
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	2,021,153
Balance at 31st March, 1920	<u>£219,502*</u>

* NOTE.—The balance on 31st March, 1920, is made up as follows:—

	£
Cash in Public Account	218,766
Imprests in the hands of officers of the Government ...	736
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	£219,502

REDEMPTIONS AND RENEWALS.

Apart from the liability to the Imperial Government for war expenditure, the total debt falling due during the year amounted to £3,767,945; and of this amount £3,530,245 was renewed, £232,100 was redeemed with funds borrowed from the Post Office, and £400 was redeemed by the transfer from Consolidated Fund of sinking funds, leaving a balance of £5,200 represented by unrepresented debentures.

CONVERSIONS.

During the year sixty-seven investors took advantage of the conversion scheme authorized by the New Zealand Inscribed Stock Act, 1917. The total sum of £169,250 was converted into inscribed stock, maturing 15th November, 1938, and bearing interest at 4½ per cent. free of income-tax.

Seventy-seven investors converted 5-per-cent. Post Office war bonds to the value of £21,300 into 5-per-cent. Post Office war-loan inscribed stock maturing 15th November, 1927.