

SUMMARY OF PURPOSES FOR WHICH MONEY WAS RAISED DURING THE PERIOD 4TH  
AUGUST, 1914, TO 31ST MARCH, 1920.

	£
War expenses ....	80,089,025
Public works ....	9,155,030
Railways improvement ....	665,000
Discharged soldiers settlement ....	9,345,000
Land for settlements ....	3,385,000
Native-land settlement ....	1,421,700
Redemptions ....	3,250,000
Other purposes ....	1,068,260
Total ....	£108,379,015

The Government did not find it necessary to go upon the open market to borrow the money required for the purposes of discharged soldiers settlement, but invested the larger portion of the surpluses accumulated during the war, which were carefully husbanded in view of post-war obligations.

As regards the increased debt, the means for discharging it are commensurately provided by the sinking fund established under the Public Debt Extinction Act, 1910.

A considerable portion of the annual interest and sinking fund on the debt, although paid out of the Consolidated Fund, does not fall upon the taxpayer. The functions of the State include such matters as loans to settlers, workers, local authorities; the repurchase of alienated lands; land for settlements, discharged soldiers, State coal, &c.; out of whose revenues interest and sinking-fund charges are met. The gross payments for interest and sinking fund amounted to £8,674,139, of which £472,455 was recouped from State Advances Office and £952,258 from Land for Settlements and other accounts, making total recoupments £1,424,713, reducing the net charge to the revenue to £7,249,426, or £6 3s. 6d. *per capita*.

#### SURPLUS.

I propose that the surplus for 1919-20 be carried forward to assist the Consolidated Fund during that portion of the year when the expenditure largely exceeds the revenue.

#### LOAN CERTIFICATES.

It will be remembered that during the war period statutory provision was made for the issue to the public by the Post Office of loan certificates representing a nominal value of £1 and upwards. This innovation proved successful, being much appreciated by people of small means, who were thus enabled to contribute to war loans and at the same time secure a safe investment for their money.

It is considered desirable that permanent facilities for the investment of small amounts should be available to the public, not alone as an encouragement to national thrift, but for the reason also that the stability of a country is enhanced by the number of small investors in State securities, who thus acquire a direct interest in good and efficient government. You will therefore be asked to sanction the continuous issue of Post Office investment certificates, secured upon the public revenues of the Dominion, receipts from the sale of which will be utilized for the purposes of any loan which may have been authorized by Parliament.

#### £2,000,000 PUBLIC WORKS LOAN.

In response to a fairly constant demand for investment at 5 per cent. of sums in excess of the limit of £500 imposed in connection with the issue of