

From the foregoing it will be seen that the accumulated revenue surpluses have been applied either to capital or to debt-reduction purposes. Education and soldier settlement have been provided for, whilst unemployment and the provision of homes for settlers and workers have received attention.

The amounts transferred to the various funds and accounts have relieved the permanent charges for interest and sinking fund to the extent of £442,000 per annum, while the annual revenue of the interest-bearing investments amounts to no less than £775,000, thus affording an annual relief to taxpayers of approximately £1,217,000.

To illustrate the advantage of a surplus of revenue from one year to finance the succeeding year, it may be pointed out that in April, 1923, £1,300,000 in cash was immediately required for advances to imprestees, and on the average this sum remained outstanding throughout the year. Indeed, the expenditure exceeded the revenue during the earlier part of the year. At the end of seven months, the disbursements from the Ordinary Revenue Account exceeded the receipts by over £2,500,000, consequently the surplus of £1,300,000 was not sufficient to meet requirements, and but for a previously accumulated surplus it would have been necessary to issue Treasury bills for ordinary revenue purposes, which would have meant increased interest charges. None were required, however, in New Zealand, although the State Advances and other accounts had to be financed. The country was fortunate in possessing a cash reserve that could be used for these purposes without borrowing—a course which, in the interest of sound finance, I was anxious to avoid.

ECONOMIES.

The expenditure of the Consolidated Fund for 1923–24 continues to reflect the policy of systematic economy inaugurated in 1921, the expenditure for the past three years being,—

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1921–22	28,466,838
1922–23	26,263,760
1923–24	26,148,005

The reduction in expenditure in 1922–23 over that of the previous year totalled £2,203,078, and this contraction has not only been sustained but a still further reduction of £115,755 is recorded.

TREASURY BILLS.

It was not necessary to anticipate the receipt of revenue by the issue of Treasury bills in New Zealand, as the balance carried forward at the 1st April enabled requirements to be met during the difficult months of the year.

In order, however, to provide additional cash for the State Advances Office, instead of selling investments held by the Ordinary Revenue Account, advantage was taken of the Dominion's credit in London to issue Treasury bills amounting to £2,250,000, and also £500,000 in anticipation of the 1924 loan for public works.

The Treasury bills for the first-mentioned sum were redeemed before the 31st March, so that no bills against revenue were outstanding. The following liability of £2,100,000 existed in the shape of bills issued for loans-redemption purposes: £1,000,000 issued in 1922–23, £1,100,000 issued in 1923–24, and also the £500,000 bill against the new loan referred to above.

The provision of cash by means of bills for short terms at low interest rates has meant a considerable economy in the annual interest charge. The saving effected by the renewal of the redemption bills, instead of incorporating them in the 1923 and 1924 loans, is estimated to amount to £51,700.

BRITISH WAR-LOAN STOCK.

Temporary investments in British War-loan stock held by certain accounts were realized during 1923–24, totalling £945,000, of which £815,000 was purchased in 1917 at 95, and the remainder in 1922 at about 99. The profits on these transactions amounted to £46,424.