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1926.
NEW ZEALAND.

FINANCIAL STATEMENT.

(In Committee of Supply, 8th July, 1926.)

BY THE HON. W. DOWNIE STEWART, MINISTER OF FINANCE.

MR. HOCKLY,—

It is gratifying to find that as a result of last year's operations the Dominion finances have been maintained in a sound and satisfactory state.

The surplus revenue of £1,150,000 shown in the Ordinary Revenue Account of the Consolidated Fund is largely due to increased Customs receipts, while the expenditure, although showing an increase on the previous year, is not more than was anticipated.

The principle of enforcing economy and effecting savings has been sustained, and in this respect I will adhere to the established policy.

For the current year it will be inadvisable to expect any increase in the gross revenue—in fact, the preparation of this Statement is based on the expectation of a possible reduction.

It is imprudent to expand services in reliance on increased revenue mainly derived from Customs duties, a source inherently liable to fluctuations. Inflated revenue due to increased imports cannot be regarded as stable, and surpluses from such a source should, when available, be applied as far as possible to debt-reduction purposes, and not be regarded as a basis for reducing taxation. In this connection, and apart from our statutory obligations to reduce debt, the year's surplus has enabled about £414,000 out of the Ordinary Revenue Account to be utilized for debt-reduction, besides ensuring the transfer of £500,000 to Public Works Fund.

EFFECT OF RECENT LEGISLATION ON ACCOUNTS.

Before making the usual comparisons of revenue and expenditure with the figures for the preceding year I will explain briefly the effect on the accounts of the Consolidated Fund of certain enactments of last session.

Consequent on the passing of the Government Railways Amendment Act, 1925, the railway receipts and payments no longer form part of the Ordinary Revenue Account, but are to be found under a separate Working Railways Account. In place of these there is a new item of revenue, "Interest on Railway Capital Liability," that is practically an equivalent of the difference between the railway receipts and payments formerly appearing on either side of the Ordinary Revenue Account.

Effect of recent legislation on accounts.

Government Railways Amendment Act, 1925.

The net result of this change so far as the Ordinary Revenue Account for 1925-26 is concerned is as follows:—

	£
Interest received on capital liability	1,913,311
Excess of railway receipts over payments for the previous year (1924-25) deducted for comparative purposes	1,468,523
	<hr/>
Leaves an increased receipt of	444,788
Deduct new item of payment for branch lines and isolated sections	344,830
	<hr/>
Leaving a gain to the Consolidated Fund of ..	<u>£99,958</u>

Against this latter sum, however, there is a further set-off of the additional interest on that part of the public debt allocated to railways during the financial year, with the result that the net effect on the Consolidated Fund is approximately the same for both financial years.

Repayment of the Public Debt Act, 1925.

The second change I refer to was brought about by the passing of the Repayment of the Public Debt Act, 1925. This Act has led to the appearance of another new item of receipt in the Ordinary Revenue Account under the heading of "Interest on the Public Debt Redemption Fund"—£897,756.

Now, a large part of this £897,756 was in 1924-25 included in the total of "Interest on public moneys," under which heading was the interest received from Discharged Soldiers Settlement Account and other interest earned on investments of Government moneys. This year the interest receipts are divided, some £550,000 going to "Interest on the Public Debt Redemption Fund" and the balance remaining under "Interest on public moneys." The Public Debt Redemption Fund item, in terms of the Repayment of Public Debt Act, 1925, also received the interest on the capitalized sinking funds, so that the additional revenue from this source is £314,697, arrived at as follows:—

	£
Interest on public moneys, 1925-26	605,061
Interest on Public Debt Redemption Fund	897,756
	<hr/>
Total	1,502,817
Interest on public moneys, 1924-25	1,188,120
	<hr/>
Additional receipts, 1925-26	<u>£314,697</u>

There is, however, against this about £190,000, being that part of the increase in the sinking fund and statutory debt-reduction payments consequent on the passing of the Repayment of the Public Debt Act, 1925. As the payments under this Act will increase every year, this net gain to the Consolidated Fund will thus automatically disappear, and, in view of the writing-down of the discharged soldiers settlement capital, a considerable part of it may be wiped out during the present financial year. In this connection it will be remembered that the amount advanced out of the accumulated surplus for settlement of discharged soldiers now forms part of the Public Debt Redemption Fund.

REVENUE.

Revenue.

In the comparative revenue table (No. 3) attached to this Statement the amount received in 1925-26 for interest on railway capital liability is compared with the excess of railway receipts over payments for 1924-25.

It will be observed that the net increase in the total revenue is shown as £1,719,345, but, as I have just explained, £444,788 on account of "Interest on railway capital liability" and £314,697 for "Interest on Public Debt Redemption Fund," may be set aside as being only nominal increases. Deducting these two amounts totalling £759,485, there is left a real increase in revenue compared with that of the previous financial year of £959,860.

The principal increases in the regular items of revenue are as follows:—

	£
Customs	814,488
Stamp and death duties	119,536
Post and Telegraph receipts	370,853

Against these increases there are the following decreases:—

	£
Land and income tax	86,128
Miscellaneous revenue	182,536
Recoveries on account of previous years	60,019

Of the decrease in land and income tax, £68,592 is on account of land-tax and is attributable to the wider application of mortgage exemption and to the annual shrinkage due to normal subdivision and succession of holdings. There were also less arrears to be collected. Reductions were made in the rates of income-tax last year of an estimated annual value of £150,000, but it is gratifying to note that this was largely compensated for by an increase in the income of taxpayers generally, the net decrease in the amount of tax collected being only £17,536.

Details of the increase in stamp duties will be found in Table No. 6 attached to this Statement.

It will be seen, therefore, that by far the greater part of the real increase in revenue is due to increased Customs receipts resulting from a greater volume of imports.

EXPENDITURE.

A detailed comparison of the year's expenditure with that of the previous year will be found in Table No. 7 attached. For the purpose of comparison the railway payments have been omitted from the figures for 1924-25. The net increase shown amounts to £1,807,466, of which £948,417 is on account of permanent appropriations, and is due principally to the following:—

	£	
Interest charges	264,537	Permanent appropriations.
Sinking fund and debt-reduction charges	214,984	
Railways, on account of isolated sections and branch lines	344,830	
Increased benefits under old-age, widows, and blind pensions	150,000	

War pensions, however, show a decrease of £62,000.

The expenditure on non-paying lines is a new item, which, as already indicated, is offset by increased returns from railways.

Similarly, the increased debt-reduction charges are covered by the additional receipt of interest on the Public Debt Redemption Fund.

The net increase in permanent appropriations is thus only about £388,000.

The increase in expenditure under departmental votes amounts to £859,049.

The principal increases were:—

	£	
Maintenance and repairs to roads	52,679	Annual appropriations.
Pensions Department	88,409	
Internal Affairs	68,796	
Naval defence	157,847	
Defence	88,387	
Electoral	94,375	
Education	102,448	

The increases for Pensions and Internal Affairs Departments are largely due to taking over new liabilities on account of soldiers' treatment and war graves, &c., consequent on the closing of War Expenses Account. The increase for Naval defence is owing to the fact that a second cruiser joined the station during the year; while increased provision for military camps and trainees accounted for much of the increase in vote Defence. The increased expenditure under vote Electoral represents the cost of the general election, while that for Education is due to the usual expansion.

It is satisfactory to note that, in reviewing the differences between appropriations and actual expenditure over the last few years, the estimating by Departments, considering their more extended operations, is showing closer results.

SUMMARY OF YEAR'S OPERATIONS.

Summary of year's operations.

A surplus of revenue over expenditure is again shown on the operations for the year, viz.,—

	£
Revenue	24,725,762
Net expenditure	23,570,083
	<hr/>
Leaving a surplus of	£1,155,679
	<hr/> <hr/>

The following shows the result in the funds of the Ordinary Revenue Account at the end of the year :—

	£
Balance forward, 1st April, 1925	4,150,806
Add—	
Surplus, 1925–26	1,155,679
Reparation-moneys received from Germany	186,227
Balance of New Zealand Consols Account transferred	475,992
Special receipts	858
	<hr/>
	5,969,562
Less—	
Special payments	1,917
Transfers during the year, to—	
Public Works Fund	500,000
Working Railways Account	473,392
Loans Redemption Account	566,161
	<hr/>
	1,541,470
	<hr/>
Balance, 31st March, 1926	£4,428,092
	<hr/> <hr/>

The balance was held as follows :—

	£
Cash	2,343,168
Imprests outstanding	226,350
Investments	1,858,574
	<hr/>
	£4,428,092
	<hr/> <hr/>

Transfer to Working Railways Account.

The transfer of £473,392 to the Working Railways Account, in terms of the Government Railways Amendment Act, 1925, to provide funds for working capital represents the balance of the excess of railway revenue paid to the Consolidated Fund from the 1st April, 1896, to the 31st March, 1925, after allowing the interest on capital at the policy rates. The total excess was £1,327,649, from which were deducted moneys paid out of the Consolidated Fund for railway stores and other charges outstanding at the latter date, totalling £854,257, leaving a balance of £473,392. The year's revenue has not been charged with this non-recurring expenditure, as the excess railway revenue in past years has helped to build up the accumulated surpluses of the Consolidated Fund, and the payment has been regarded as a refund therefrom.

Reparation-moneys.

Of the £186,227 reparation-moneys received from Germany, £151,824 was included in the £566,161 transferred to Loans Redemption Account and has been applied in reduction of the war debt.

Transfer from New Zealand Consols Account.

The New Zealand Consols Act was repealed by section 11 of the Finance Act, 1925, and the £475,992 shown as transferred to Ordinary Revenue Account above represents the balance of cash and investments of that account, to which I will return later. Consols to the value of £475,492 were redeemed out of the Consolidated Fund during the preceding financial year, and the balance of £500 in 1925–26.

The result of the year's operations is better than was anticipated, as, although last year the indications were for an increase in Customs revenue over the previous year, it was not expected to reach the excess of £584,000 over the estimate. While it is a matter for satisfaction that the year's working shows a substantial surplus it has to be recognized that the bulk of it comes from sources that cannot be counted upon to persist.

NET CHARGES ON THE TAXPAYER.

In order to illustrate our present position in regard to taxation as compared with that of 1914, I have prepared a statement showing the comparative charges on taxation for the various services provided for out of the Consolidated Fund. In making this comparison it is necessary to allow for the fact that the receipts and payments for 1913-14 are not comparable with those for 1925-26 without considerable adjustment, because within the period covered there was a fall in the purchasing-power of the pound. To obtain a true comparison between these two years the figures for 1913-14 should be increased by about one-half. This table will enable honourable members to gauge the weight of the war charges and social services.

Net charges on the taxpayer.

REVENUE RECEIPTS.

—	1913-14.	1925-26.	Per Head of Mean Population.	
			1913-14 (Adjusted to a comparable basis).	1925-26 (Actual).
	£	£	£ s. d.	£ s. d.
Customs	3,426,745	8,333,877	4 11 5	6 0 5
Beer duty	127,041	629,558	0 3 4	0 9 1
Land and income tax	1,321,722	4,635,175	1 15 3	2 8 3
Stamps	1,221,971	3,359,868	1 12 6	3 6 7
Miscellaneous	11,567	13,909	..	..
	£6,109,046	£17,022,387	£8 2 6	£12 4 4

CHARGES ON TAXATION.

—	1913-14.	1925-26.	Allocation of Taxation Receipts per Head of Mean Population.	
			1913-14 (Adjusted to a comparable basis).	1925-26.
	£	£	£ s. d.	£ s. d.
War pensions and debt charges .. .. .	..	5,101,015	..	3 13 3
Other debt charges	1,402,222	1,656,135	1 17 3	1 3 9
Social services (health and hospitals, pensions and education)	2,123,815	5,735,419	2 16 6	4 2 4
Defence (land, sea, and air)	538,373	891,099	0 14 5	0 12 9
Other charges (general and admini- strative)	1,640,839	2,483,040	2 3 7	1 15 8
Surplus for year.. .. .	403,797	1,155,679	0 10 9	0 16 7
	£6,109,046	£17,022,387	£8 2 6	£12 4 4

In order to facilitate the comparison of costs I have had the amount per head of mean population assessed in each case and the respective amounts for 1913-14 increased as mentioned above. That is to say, the total taxation receipts for 1913-14 averaged out at £5 8s. 4d. per head, but in the table above have been increased by one-half—to £8 2s. 6d.—which figure approximately represents the average receipts in 1913-14 in the values of to-day.

War charges.

On this basis the increase in the *per capita* receipts during the period is £4 1s. 10d. The first striking fact to be noted is that the cost of the charges directly due to the Great War averages £3 13s. 3d., and this accounts for nearly the whole of the increase in the taxation receipts per head.

Social services.

The other noteworthy increase is in the total amount devoted to social services, under which heading I group health and hospitals, pensions (excluding war pensions) and education. The actual charge on taxation for these three items amounted in 1913-14 to £2,120,000, which is roughly about one-third of the total collections for the year. During the last financial year no less than £5,735,000, or nearly one-half of the total collections less war charges, was expended on social services. On a comparable basis the expenditure on social services per head of population rose from £2 16s. 6d. in 1914 to £4 2s. 4d. in 1926, an increase of 45 per cent.

Naval defence.

The cost of defence for 1925-26 includes the expense of the second cruiser which recently joined the New Zealand Station, for only part of a year, so this item will show an increase for this financial year. The net expenditure on Naval defence for last year amounted to £441,203, an increase of £157,847 over that of the previous year.

Summary of position.

Setting aside the amount required to cover war charges and social services, which in 1925-26 absorbed £8 19s. 4d. out of a total of £12 4s. 4d. per head of revenue collected, the remaining revenue for other services does not represent in 1925-26 any real increase over that required in 1913-14.

The results demonstrate that economy and control have been consistently applied to administrative expenditure, and that there has been no undue inflation of departmental services.

In regard to existing social services there will, of course, be a steady rise due to increases in population, but this should be met by increased revenue receipts due to the same cause. Any new departures or extensions, however, can obviously only be made at the expense of increased taxation *per capita*, unless reductions can be made in the relative amounts required for other services.

As regards last year's actual expenditure as compared with that of the previous year, I wish to remark as follows:—

Pensions.

Including £37,505 from national endowments on account of old-age pensions and £2,499 from gold duty in respect to miners' pensions, the total net payments on account of pensions for the last financial year amounted to £2,480,155, as against £2,403,614 for the previous year, an increase of £76,541, notwithstanding the fact that the war pensions showed a reduction of £62,630.

Health.

Turning to expenditure on health, it will be seen from the accounts and particulars supplied that the subsidies under the permanent appropriations for Hospital and Charitable subsidies in 1925-26 totalled £600,000, the actual amount paid being £575,777, in addition to which a special subsidy of £18,000 was paid to the Nelson Hospital Board. It is estimated that an appropriation of £600,000, the same as last year, will be required for the current year. Subsidies on capital levies increased from £72,000 in 1923-24 to £115,000 in 1925-26, but it is not anticipated that the amount will further increase this year. The net expenditure of the Department from the Consolidated Fund other than subsidy was £34,968 more than that of the previous year.

Education.

For education the net expenditure under the vote amounted to £2,879,719, to which must be added £157,341 received under special Acts, making a total provision out of the Consolidated Fund of £3,037,060 for 1925-26, as against £2,949,115 for 1924-25. In addition, there is also expenditure out of reserves and endowments, full particulars of which will be found in Table No. 20 attached to this Statement.

TREASURY BILLS.**Treasury bills.**

Treasury bills in anticipation of the 1925 loan amounting to £500,000 were sold in London at 4 $\frac{3}{8}$ per cent. discount at the beginning of April, 1925, and were duly redeemed out of the loan receipts.

Further Treasury bills issued in anticipation of revenue were sold in New Zealand as follows: £250,000 in April, 1925; £500,000 in May, 1925; £500,000 in June, 1925: total, £1,250,000: the rate of interest being $5\frac{1}{4}$ per cent. in each case. The whole of these revenue bills were redeemed later in the year when the bulk of the revenue was received, so that there were no bills of this description outstanding at the close of the year.

The redemption bills outstanding at the 31st March, 1926, amounted to £1,400,000, for which a corresponding amount of debt was redeemed on the issue of the bills. Saving on redemption bills.

TEMPORARY INVESTMENT OF SURPLUS CASH BALANCES.

Advantage was taken of the short money-market in London to invest Public Account cash balances which were not immediately required. The total interest earned on these investments during the year for periods ranging from a few weeks to three months was £28,069. Temporary investment of surplus cash balances.

With increasing interest charges it is desirable to make the fullest possible use of investing cash balances more closely, and I am taking steps to enable our facilities in this respect to be improved.

CUSTOMS AND EXCISE.

Including the tire-tax credited direct to the Main Highways Account, the Customs revenue for the financial year 1925-26 amounted to £8,573,388, while that for the preceding financial year was £7,689,192, an increase of £884,196. Customs and excise.

The principal classes of imports from a revenue-producing point of view give the following results:—

	1925-26.	1924-25.	Increase.
	£	£	£
Spirits	1,255,618	1,149,712	105,906
Tobacco, cigars, cigarettes	1,385,568	1,336,182	49,386
Apparel and textiles	1,815,396	1,664,170	151,226
Motor vehicles, tires, and parts	1,154,168	912,567	241,601
Other goods	2,472,185	2,174,887	297,298
Primage	490,453	451,674	38,779
Totals	8,573,388	7,689,192	884,196

Despite the falling-off in the value of exports for the year—due partly to lower prices and partly to lessened production—the imports did not show any contraction and the revenue has been well maintained.

The following table shows the values of imports and exports for each of the past seven financial years:—

Year.	Imports.	Exports.	Excess of Exports.	Excess of Imports.
	£	£	£	£
1919-20	32,162,029	50,776,650	18,614,621	..
1920-21	67,463,269	48,219,672	..	19,243,597
1921-22	35,986,060	43,794,883	7,808,823	..
1922-23	37,112,779	45,548,700	8,435,921	..
1923-24	44,401,756	51,652,606	7,250,850	..
1924-25	49,821,095	54,771,158	4,950,063	..
1925-26	53,025,856	48,697,587	..	4,328,269

It will be seen that for the financial year 1925-26 our imports exceeded our exports by £4,328,269. As the favourable balance (*i.e.*, excess of exports over imports) for the preceding year was comparatively small, the indications are to expect some curtailment of imports at an early date.

In view of the state of the trade balance, and keeping in mind the uncertainty of the future trend of prices of our produce, I have come to the conclusion that the Customs revenue for the coming year, notwithstanding the normal increase of population, will be substantially less than for last year. My estimate of the revenue for 1926-27 from this source is £7,650,000.

The excise duty collected on New-Zealand-brewed beer during the year 1925-26 was £629,558 (compared with £650,384 during the preceding year). The revenue from this source during the current financial year is estimated at £630,000.

CAPITAL EXPENDITURE.

Capital expenditure.

In the last financial year, including £500,000 transferred from the Consolidated Fund, a total of £6,924,520 was made available for carrying on the public works and general development programme of the Government. The net expenditure on capital works out of accounts to which the additional loan capital was allocated may be summarized as follows:—

	£
Railway construction, additions, and improvement ..	2,786,190
Telegraphs and telephones	931,661
Hydro-electric supply	945,573
Main highways and roads	949,077
Irrigation, swamp-drainage, and rivers improvement..	229,569
Public buildings, including schools	849,041
Other public works	489,368
Total	£7,180,479

The Government's policy regarding public works generally will be fully explained by my colleague the Hon. the Minister of Public Works in his annual Statement. At this stage I am considering the general financial aspect of the matter.

Productive works.

Considering the population of the Dominion, the above is certainly a large capital outlay for one year. It will be observed, however, that the greater part (about £4,700,000) was expended on the first three items enumerated—on railways, telegraphs and telephones, and hydro-electric-power schemes—all of which are productive works which as soon as completed will earn a large part if not the whole of the interest payable on the relative portion of the public debt. Main highways and irrigation and swamp-drainage can also be classed as productive, though the return is in some cases not so immediate.

In regard to such productive works it is essential that every phase of the question—and particularly the probable earning-capacity—should be carefully considered before extensions or new works are undertaken, but once construction has been commenced it is obviously sound business that the work should be completed as quickly as possible, in order that the concern may start to earn interest. For this reason curtailment of finance for undertakings in hand would undoubtedly leave us with unproductive assets.

Non-productive works.

The second class of expenditure—on roads and schools and other public buildings—cannot be classed as unproductive, though there is no immediate monetary return. Roads, for instance, are necessary to open up new lands for settlement and to improve the existing means of communication, while education is vitally necessary to enable the next generation to be properly equipped to maintain and improve the standard of prosperity in this favoured Dominion.

In this class of expenditure it is essential that the State should take the long view; but such expenditure is in the meantime a direct charge on the taxpayer as such, and care must be taken to see that the spending-rate is regulated in accordance with the real needs of the country and the financial strength of the Dominion. Although this class of expenditure cannot be placed on a commercial basis it is essential that the cost of renewals and replacements should be met out of revenue.

An important consideration is the weight of the war burdens which I have previously referred to. The war debt in itself is a heavy dead-weight charge, and if further direct charges are placed on the taxpayer at a rate in advance of the increase in population and wealth of the Dominion, it must mean increased taxation, which in turn would retard business and hinder the development of the country.

Another important factor which also affects productive expenditure is the price at which fresh capital can be obtained. The greater part of our public works have been constructed with capital obtained on relatively very favourable terms, but as a result of the huge destruction of capital during the war it is not to be expected that money will be cheap in the near future. In this connection, too, it must not be forgotten that a large part of the loan capital raised in the past at low rates will fall due in the next few years and have to be renewed at current rates of interest.

The loan recently raised in London cost, including redemption of the discount and expenses over the period of the loan, about £5 6s. 2d. per cent. Used in the construction of productive works this means ultimately increased costs of the services to the consumer, and it is certainly too expensive to be used for works not financially productive.

I hold the view that on completion of the large undertakings now in hand in respect of railways and hydro-electric power, a tapering-off policy should be adopted until a further national stocktaking justifies extensions commensurate with our increasing population and trade.

IMMIGRATION.

There has been a slight falling-off in the number of new arrivals in 1925-26 under the immigration policy, due to the hold-up occasioned by the shipping strike. The percentage of juveniles has been well maintained, and the migration of public-school and secondary-school boys is making good progress. The expenditure last year amounted to £107,521, compared with £136,353 for the previous year. Immigration.

DISCHARGED SOLDIERS SETTLEMENT ACCOUNT.

New loans granted during the year have, as for some time past, been restricted mainly to T.B. and incapacitated discharged soldiers and to advances on current account for improvements to farms and purchase of stock, the total amount authorized during the year being £282,011. The advances paid over during the year, which included commitments from the previous year, totalled £725,974. The repayments and recoveries of principal amounted to £901,393. Discharged Soldiers Settlement Account.

The amount of instalments and interest in arrear and in postponement account as at 31st March was £633,130, being a reduction of £121,820 on the previous year. The reduction, however, is largely due to the operations of the Dominion Revaluation Board by remissions of interest granted on its recommendation.

REVALUATION UNDER DISCHARGED SOLDIERS SETTLEMENT ACTS.

Following the revaluation of discharged soldier properties under the Discharged Soldiers Settlement Amendment Act, 1923, the Dominion Revaluation Board has been giving its attention to adjusting the current accounts of settlers in the manner authorized by the amending Act of 1924. As a consequence, reductions in capital of these accounts up to the 31st March totalling £49,242 were made, while a sum of £5,403 was transferred to Suspense Account. Revaluation under Discharged Soldiers Settlement Acts.

A summary of the position in regard to revaluation reveals—	£
Reductions in capital value of leaseholds	1,754,207
Reductions in value of buildings charged under leases	15,188
Reductions in mortgages	726,601
Reductions in current account	49,242
	£2,545,238
	£2,545,238

In addition, substantial relief by way of remission of rent and interest has been given where deemed necessary, and in other cases postponement for varying terms up to ten years has been arranged. The loss of capital entailed in these revaluations will in due course be written off the £13,500,000 advanced out of the Consolidated Fund.

NEW ZEALAND CONSOLS ACCOUNT.

New Zealand
Consols Account.

The acceptance of deposits from the public for investment in Government securities was authorized in 1894 by the New Zealand Consols Acts (consolidated in 1908), and such deposits were inscribed in the Treasury registers in the form of New Zealand Consols. As investments in inscribed stock have taken the place of New Zealand Consols, there have been no transactions in consols for many years, and the outstanding balance (£475,992) has remained the same since 1914. The Consols matured on the 1st February, 1925, and in terms of the Act were paid off out of the Consolidated Fund. Except for some small amounts unclaimed, which have since been paid off, the amount was included in the sums applied in 1924-25 out of ordinary revenue surpluses for reduction of debt. Under these circumstances there was no reason to retain the system, and the Act was repealed last session by section 11, Finance Act, 1925. Authority was also taken to transfer the cash (£7) and investments (£475,985) to the Ordinary Revenue Account, which, as previously indicated, had met the liability to the investors.

WAR EXPENSES ACCOUNT.

War Expenses
Account.

This account was closed by the Finance Act of last year. Since then finality has been reached in the settlement of outstanding transactions between the New Zealand Expeditionary Force and Australian Forces in Egypt, whereby the Commonwealth Government has agreed to pay the sum of £45,000 to the Dominion Government in full and final settlement. This amount, when received, will be applied towards reduction of war loans.

DEATH-DUTY-STOCK REDEMPTIONS.

Death-duty-
stock redemptions.

Death-duty stock issued under the authority of the War Loans and Discharged Soldiers Settlement Acts amounted to £1,848,200 on the 1st April, 1925, and was increased to £2,019,350 at the 31st March last by the issue of further similar stock under the authority of the Finance Act, 1920, section 15 (Electric-power Works), and the State Advances Act, 1913.

Up to the 31st March, 1926, death-duty stock amounting to £635,890 had been presented in payment of duty.

Further reductions in this form of security to the amount of £237,640 have also been effected by conversion into ordinary inscribed stock at the request of the holder and in cases where the whole of the death-duty stock has not been required in satisfaction of the duty payable.

FREE-OF-INCOME-TAX SECURITIES.

Free-of-income-tax
securities.

The conversion scheme inaugurated in September, 1922, by which the public were afforded an opportunity of converting free-of-tax securities into inscribed stock (not free of tax) has been availed of to the extent of £3,128,450. This sum, together with renewals and redemptions, has accounted for a reduction of £13,426,071, the total outstanding at the 31st March, 1926, being £38,307,334.

LOANS FALLING DUE.

Loans falling due.

Loans falling due in the next seven years ending with the year 1933, excluding Imperial debt repayments and Treasury bills, are :—

Year ending 31st March,	London.	Australia.	New Zealand.	Total.
	£	£	£	£
1927	1,000	587,100	2,146,200	2,734,300
1928 .. .. .	..	81,100	8,253,366	8,334,466
1929	13,000	..	14,452,265	14,465,265
1930	29,569,840	..	12,186,558	41,756,398
1931 .. .. .	..	59,400	21,051,971	21,111,371
1932	200	334,900	1,190,590	1,525,690
1933 .. .. .	..	410,850	4,248,893	4,659,743
Totals	£29,584,040	£1,473,350	£63,529,843	£94,587,233

RESERVE FUND, LONDON.

The Reserve Fund in London of £2,000,000 is invested in gilt-edged securities; **Reserve Fund.** the interest earned by the fund during the past year amounting to £90,550.

PUBLIC DEBT.

The gross public debt at the 31st March, 1926, was £238,855,478, as compared **Public debt.** with £227,814,647 twelve months previously. The debt is allocated as follows:—

					£
Ordinary	..	..	..	..	125,992,741
War	..	..	..	..	75,333,648
State advances	..	..	..	..	27,771,153
Discharged soldiers settlement	..	..	..	..	9,757,936
					<u>£238,855,478</u>

The increases are—

					£
Ordinary debt	..	..	..	..	6,055,882
State advances	..	..	..	..	6,334,973
					<u>£12,390,855</u>

Decreases—

					£
Discharged soldiers	..	..	..	..	51,950
War debt	..	..	..	..	1,298,074
					<u>£1,350,024</u>

leaving the net increase in the gross debt at £11,040,831.

Of the increased debt of £11,040,831, State advances (settlers, workers, and local authorities) absorbed £6,334,973, or 57 per cent. The total borrowed for ordinary debt purposes was £6,859,566, but by redemptions out of Ordinary Revenue Account (£445,513), from other accounts (£356,071), and by the removal from the debt of debentures totalling £2,100, the increase in ordinary debt for the year was reduced to £6,055,882.

The movement in the gross debt during the year is shown by the following:— **New loans during the year.**

New loans raised during the year for—

					£
Public works	..	..	..	..	3,939,870
Waihou and Ohinemuri Rivers improvement	..	..	..	..	69,000
Electric supply	..	..	..	..	830,000
Deteriorated lands	..	..	..	..	2,000
Education loans	..	..	..	..	478,650
Hauraki Plains settlement	..	..	..	..	70,000
Main highways	..	..	..	..	500,000
Railways improvement	..	..	..	..	500,000
Samoa loan	..	..	..	..	15,000
Swamp drainage	..	..	..	..	35,000
State advances	..	..	..	..	6,346,955

Charges and expenses:—

Public works	..	..	..	..	294,032
Electric supply	..	..	..	..	42,005
Main highways	..	..	..	..	42,004
Railways improvement	..	..	..	..	42,005
State advances	..	..	..	..	168,018

£13,374,539

Loans paid off
during the year.

Loans paid off during the year:—				£
By transfers of cash from—				
Ordinary Revenue Account	..	..	..	899,449*
Nauru and Ocean Islands Account	..	..	..	40,000
Nauru and Ocean Islands Sinking Fund Account	..	..	..	20,150
Cheviot Estate Account	..	..	..	35,613
Conversion Account	..	..	..	6,074
Discharged Soldiers Settlement Account	..	..	..	13,250
Discharged Soldiers Settlement Loans Act 1920 De- preciation Fund Account	..	..	..	38,371
Land for Settlements Account	..	..	..	22,575
Native Land Settlement Account	..	..	..	2,400
State Advances Office	..	..	..	100,000
War Expenses Account	..	..	..	17
Westport Harbour Account	..	..	..	23,707
By utilizing cash in Public Debt Repayment Account	..	..	..	870,638
By sinking funds released	..	..	..	88,771
By loans raised in 1924–25 for redemptions in 1925–26..	..	..	..	64,680
Miscellaneous war credits applied to reduction of debt	..	..	..	62,409
Portion of amount advanced to High Commissioner in 1924–25 used for redemption in 1925–26 (Westport Harbour securities)	..	..	..	3,000
Debentures outstanding for more than ten years, removed from debt table..	..	..	..	2,100
Discount on securities redeemed below par	..	..	..	40,504
				<u>£2,333,708</u>

* Includes amount from German reparations so applied.

				£
Net increase as shown by above figures	..	..	..	11,040,831
Add gross debt at 31st March, 1925	..	..	..	227,814,647
				<u>£238,855,478</u>
Gross debt at 31st March, 1926	..	..	..	£238,855,478

In addition to the above transactions, securities to the amount of £5,266,476 were renewed, £453,250 converted, and £17,786,565 debentures and inscribed stock and £6,500,000 Treasury bills were redeemed, in each case by the issue of new securities of an equal face value.

Domicile of debt.

The gross debt at the 31st March, 1926, was held as under:—

Where held.					Amount. £
New Zealand	..	..	..	..	107,164,718
Australia	..	..	..	..	3,643,100
London	..	..	..	..	128,047,660
				<u>£238,855,478</u>	

Gross Annual Charge.

Annual charge.

				£
Interest	..	..	..	10,670,170
Annual sinking funds	..	..	..	7,000
Repayment of funded debt	..	..	..	350,074
Public Debt Repayment Account	..	..	..	928,492
				<u>11,955,736</u>
Total gross charge	..	..	..	11,955,736
Estimated recoveries from trading and other accounts	..	..	..	2,500,849

Net annual charge at 31st March, 1926 .. £9,454,887

The assets held by the State which may be set off against the debt will be found detailed in Table No. 18 attached to this Statement. **Assets held against debt.**

I am pleased to be able to state that as a result of considerable research into the history of the debt, the consolidated stock shown under the heading of Miscellaneous in the debt table (B.-1 [Pt. III]) has now been allocated to the respective accounts concerned. This for the first time enables a true apportionment of the public debt to be made, and ensures a more accurate capitalization of the various Government undertakings, an important consideration in view of the balance-sheet system now in operation. A separate paper (B.-2) to be laid on the table of the House will explain the results of the investigation. **Allocation of debt.**

SINKING FUNDS AND DEBT REPAYMENT.

Sinking funds as below exist for the extinction of that portion of the debt to the following appropriate accounts:— **Sinking funds and debt repayment.**

	£
State coal-mines	48,199
Nauru and Ocean Islands	19
Samoan loan	4,747
Westport Harbour loans	186,558
Electric supply	17,391
State advances	2,017,348
	<hr/>
	£2,274,262
	<hr/> <hr/>

By the Repayment of the Public Debt Act, 1925, means are provided whereby the whole of the public debt, other than those portions for which separate sinking funds exist, will be extinguished in approximately sixty years from the time of coming under the provisions of the Act.

The Redemption Fund Capital Account, established by section 8 of the Act, is as under:—

Moneys held by the Superintendent, State Advances Office	£ 3,258,956
Moneys held by the Public Trustee	7,966,689
Moneys transferred by way of loan from the Consolidated Fund to the Discharged Soldiers Settlement Account	13,500,000
	<hr/>
	£24,725,645
	<hr/> <hr/>

Interest earned by this amount is credited to the Consolidated Fund as a set-off to the amount paid into the Public Debt Repayment Account under the provisions of the Act—viz., $\frac{1}{2}$ per cent. of the public debt outstanding which comes under the Act, and 4 per cent. of the debt redeemed in accordance with the Act.

LOANS FOR STATE ADVANCES AND OTHER PURPOSES.

As shown above, the amount of £6,346,955 was borrowed last year for State advances purposes. £2,000,000 of this was included in the London loan of 1925. Apart from other small loans the Government, in order to provide funds to meet arrears of applications for State advances, placed a $5\frac{1}{2}$ -per-cent. issue on the market. Up to the 31st March, £4,233,705 had been received for State advances, of which about one-half came from overseas investors, as below:— **Loans for State advances, &c.**

New Zealand	£2,086,205
Overseas	£2,147,500

In addition to the above, £650,000 was raised under this issue for public works and hydro-electric purposes. The issue is still open to the public. After allowing for expenses, the money is expected to cost about £5 10s. 8d. per cent. per annum.

1926 PUBLIC WORKS LONDON LOAN.

Public Works Loan,
1926.

At the end of May, London advised that, the general strike having been called off, a resumption of the lending market was at hand, though the position was, in view of the continuance of the coal strike, still reported to be somewhat uncertain as to terms obtainable. It was, however, decided to proceed, and a loan of £6,000,000 under the following authorities was underwritten :—

	£
Finance Act, 1925 (public works)	4,000,000
Electric-power Works Loan Act, 1919 (electric supply)	1,100,000
Railways Improvement Authorization Act, 1914 (railways improvement)	900,000
	<u>£6,000,000</u>

It was issued to the public on the 31st May at £98 10s. ; interest 5 per cent., maturing on the 1st January, 1946 ; the yield to investors being £5 2s. 6d.

The result was in all the circumstances somewhat surprising as the application list was closed in two hours, the sum of £119,600,000 from 24,059 applicants having been offered, while the loan subsequently went to a premium.

FUNDED DEBT.

Funded debt.

Payments amounting to £1,651,930 were made in 1925–26 in respect of £27,532,164, loans advanced by the Imperial Government, and funded in terms of the agreement dated 6th September, 1922.

The half-yearly payments represent both principal and interest, and the following table shows how this debt has been reduced to £26,257,022 :—

Instalment paid.	Interest.	Principal.	Balance of Debt outstanding.
	£	£	£
1st December, 1922	684,794	141,171	27,390,993
1st June, 1923	681,282	144,683	27,246,310
1st December, 1923	677,684	148,281	27,098,029
1st June, 1924	673,996	151,969	26,946,060
1st December, 1924	670,216	355,749	26,590,311
1st June, 1925	661,367	164,598	26,425,713
1st December, 1925	657,274	168,691	26,257,022

New Zealand has the right, on giving three months' notice, to repay at par any part of the principal.

PUBLIC DEBT COMMISSION.

Public Debt
Commission.

The Public Debt Commission, constituted under the Repayment of the Public Debt Act, passed last session, held its first meeting early in March of this year for the purpose of formulating the policy to be adopted in the matter of debt-repayment and to set in motion the machinery provided under the statute.

The amount available for debt-repayment for the financial year ended 31st March last was £872,734, and the Commission applied this in discharging from the debt securities purchased from time to time at a discount, together with further suitable securities held by Treasury Investment Accounts. Securities of a total nominal value of £889,733 were accordingly cancelled and redeemed.

As opportunity offers for purchase of securities on favourable terms, it is the intention of the Commission to apply its resources to the reduction of deadweight and overseas debt.

Details of the transactions affecting the debt coming under the provisions of the Act will be available to honourable members in the statement and account of the proceedings of the Commission to be laid on the table of the House.

POST AND TELEGRAPH DEPARTMENT.

The revenue of the Post and Telegraph Department paid over to the Consolidated Fund amounted to £3,077,735. Of this amount, the Postal Branch accounted for £1,414,081; telegrams, £371,251; toll messages, £312,120; and telephone-exchange receipts, £980,283. The telephone-exchange receipts show an increase over those for the previous year of about £113,000. The net expenditure out of the vote Post and Telegraph Working-expenses amounted to £2,406,791. There was thus a net excess of receipts over payments of £670,944, which is available to cover the interest on the loan capital of the Department. The presentation of the balance-sheet will, however, show the actual results on a commercial basis.

Post and Telegraph
Department.

The Post Office Savings-bank figures show an improvement over those for the previous year. There was in 1924–25 an excess of withdrawals over deposits of £830,712, whereas in 1925–26 the deposits amounted to £31,833,621 and the withdrawals to £32,602,506, an excess of withdrawals over deposits of £768,885. The position is still improving, as since the end of the year the amount of deposits has exceeded the amount of withdrawals. On the 31st March there were 758,188 depositors, and the total amount at their credit, exclusive of interest for the year, was £46,179,744.

Money-orders and postal-notes issued totalled in value £5,907,171, and those paid £5,528,814.

The first issue of Post Office investment certificates, in November, 1920, matured in November, 1925, and the redemptions to the end of March totalled £175,254. I would have expected to find a greater use by the public of this excellent form of small investment.

STATE ADVANCES OFFICE.

During the year £6,371,375 was added to the Capital Fund of the State Advances Office, which on the 31st March, 1926, totalled £33,148,274. The additional loan-money provided has been used largely by farmers to establish themselves in permanent and profitable occupation of their lands, and by workers to provide homes for themselves and their families.

State Advances
Office.

The total advances current at the 31st March, 1926, were £30,296,837, being an increase on the previous year of £4,638,977.

Owing to the high rate the Office has had to pay for the last few years for borrowed money, the Department during the year was obliged to increase the rates of interest payable on new loans.

Although this has been done, the Department has assisted mortgagors to meet the increase by extending the terms of their loans, the result being that the half-yearly instalments payable under present rates amount to very little more than what borrowers were previously called upon to pay.

The advances actually paid over during the year numbered 6,063 and amounted to £6,269,403. If proof of the assistance rendered to settlers and workers in regard to their financial needs be required, these figures amply furnish it.

The new business for the year was as follows :—

	Number.	Amount. £
Loans granted to settlers	4,747	5,409,310
Loans granted to workers	3,303	2,763,644
Loans granted to local authorities ..	112	157,520
	<u>8,162</u>	<u>£8,330,474</u>

As in the previous year, a very large sum of money was provided last year for redemption of mortgages, and since the month of October, 1922, when it was decided to grant advances for this purpose, 9,833 loans have been granted, amounting to £12,030,265.

The resources of the Office have been thus largely used to meet the demand for homes throughout the Dominion, and for advances to redeem existing mortgages on farm lands, but it is unlikely that new capital will be available to the same extent as in the last three years.

RURAL CREDITS.

Rural credits.

The importance of improving financial conditions for primary producers, and the desirability of acquiring for our guidance the best available information on the subject, led in September last to the appointment of a Royal Commission consisting of Colonel J. J. Esson, C.M.G., Financial Adviser to the Government, Mr. P. H. Cox, an experienced banker, and Mr. W. J. Polson, a practical farmer.

The Commission has visited all the most important countries and investigated the conditions governing land mortgage and agricultural banking.

I expect the report will shortly be available, and have no doubt the inquiries and findings of the Commission will be of great value in promoting the well-being of the producers and of the country as a whole.

Long-term mortgages.

Honourable members are aware that the Directors of the Bank of New Zealand have proposed to establish a branch of business on the long-term table-mortgage system to assist in developing and improving the conditions of the primary producers. Until the report of the Royal Commission is in the Government's hands, it is not proposed to take any steps in connection with legislation dealing with agricultural banking and finance.

1926-27.

Position regarding taxation.

In setting out before honourable members the estimated position in the current year, there are first of all several broad considerations affecting the question of taxation and revenue that I will briefly refer to.

As I have shown earlier in this Statement, the absorption of direct and indirect taxation by social and educational services shows considerable proportionate increase as compared with pre-war conditions, while the cost of defence is rising rapidly. These items bring before us some outstanding facts directly affecting taxation.

It is, of course, always a question for Government consideration, and particularly since the war, what relief can be given to the taxpayer? Further substantial relief from taxation cannot be expected so long as the war-debt services have to be borne—an unescapable burden—which, combined with largely increasing social services, retard any movement in the direction of lessened taxation.

In certain quarters there will no doubt be some criticism of the fact that I have not seen my way to recommend any reductions in taxation this year, but I am strongly of opinion that the uncertain outlook in trade and finance calls for the utmost caution. Moreover, the various legislative proposals of the Government to be given effect to this year will impose considerably heavier charges on the Consolidated Fund, and this consideration applies particularly to the proposed scheme for assistance to large families. Indeed, it is possible that it may become necessary to raise additional money, but I am hopeful that the revenue will remain sufficiently buoyant to avoid this.

Furthermore, I do not think it wise to make any changes in the incidence of taxation which may have the effect of yielding a lesser tax revenue this year. At any rate, so far as the proposal to substitute taxation of individual shareholders for company taxation is concerned, I think further consideration of this matter must remain in abeyance until the data now being collected is complete.

I am also anxious to continue as long as possible the practice of applying surplus revenue to war-debt reduction, and I do not think relief from taxation at the cost of impairing that policy is advisable.

I intend to ask for authority to transfer up to £1,000,000 to the Public Works Fund as ways and means permit.

ESTIMATED REVENUE.

Estimate of revenue.

I have given the most thorough consideration to all the expected variations or conditions likely to arise in the next twelve months, and I estimate the total revenue receipts into the Ordinary Revenue Account at £24,266,200. This is based on the present rates of land and income tax and the expected reduction in Customs revenue resulting from trade-balance adjustments. The expanding business of the Post and Telegraph Department will provide increased receipts.

ESTIMATES OF REVENUE.

	£
Customs	7,650,000
Beer duty	630,000
Stamp and death duties	3,189,250
Postal and Telegraph	3,290,000
Land-tax	1,200,000
Income-tax	3,300,000
Registration and other fees	200,000
Marine	112,000
Interest on public moneys	600,000
Interest on railway capital liability	2,050,000
Interest on Public Debt Redemption Fund	1,102,000
Local Bodies' Loans Act, 1908, section 76	20,000
Rents of buildings	25,000
Tourist and Health Resorts	57,250
Miscellaneous	50,000
Territorial	205,000
Departmental and other receipts	585,700
Total	<u>£24,266,200</u>

ESTIMATED EXPENDITURE.

In submitting the estimates of expenditure, I may state that some months ago the Government appointed a Committee of Departmental Heads to investigate expenditure and scrutinize the preliminary estimates of Departments. The Committee's recommendations were duly considered by the Government in framing these estimates. Estimated expenditure.

The estimated expenditure is £23,986,616. The sum is £416,533 in excess of the actual expenditure of last year, a good indication that the control over vote expenditure is well maintained when it is remembered that this increase covers extension of naval establishment, education expansion, and also Departments whose increases are met by corresponding revenue receipts.

The estimated expenditure under—

	£
Permanent charges is	13,693,759
Annual appropriations	10,292,857
Total	<u>£23,986,616</u>

ESTIMATED RESULTS.

I anticipate, therefore, that the position, provided no obligations of a substantial nature due to unemployment or to new legislation, fall on the Account during the present financial year, will be:— Estimated results.

	£
Revenue	24,266,200
Expenditure	23,986,616
Balance	<u>£279,584</u>

This amount will, I estimate, cover supplementary estimates, but will leave very little margin; and, either way, the ultimate result will depend a great deal on the uncertain factor of imports.

Conclusion.

In view of the reference in His Excellency's Speech as to the policy proposals of the Government, I have found it unnecessary in this Statement to devote any space to these matters.

There are some difficulties ahead of us, the principal one—that of our trade balance—touches, of course, our primary industries, but the effect, I predict, will only be temporary, and matters will adjust themselves in due course.

With regard to our secondary industries, I regret to state that some of these are not in a flourishing condition. The Government is now considering how far it may be necessary to render assistance during the present session to certain industries that are most seriously affected, but it is not proposed to make any general revision of the tariff this year.

SUMMARY OF RESULTS AND PROPOSALS.

RESULTS, 1925-26.

Consolidated Fund—						
Ordinary Revenue Account—						
					£	
Revenue .. .. .	..	..	..	..	..	24,725,762
Expenditure .. .. .	..	..	..	..	..	23,570,083
						<u>£1,155,679</u>
						£
Balance forward at 31st March, 1926 .. .. .	..	..	..	..	..	4,428,092
Transferred from accumulated surpluses to—						
Public Works Fund .. .. .	..	..	..	..	..	500,000
Working Railways Account .. .. .	..	..	..	..	..	473,392
Loans Redemption Account .. .. .	..	..	..	..	..	414,000
No revenue Treasury bills outstanding.						
Establishment of Working Railways Account.						
Repayment of the Public Debt Act passed.						
Establishment of Public Debt Redemption Fund.						
Customs and excise—						
						£
Revenue to Consolidated Fund .. .. .	..	..	..	..	..	9,013,435
Increase over 1924-25 .. .. .	..	..	..	..	..	793,662
						£
Imports for financial year .. .. .	..	..	..	..	..	53,025,856
Exports for financial year .. .. .	..	..	..	..	..	48,697,587
						<u>101,723,443</u>
Total trade .. .. .	..	..	..	..	..	101,723,443
Excess of imports over exports .. .. .	..	..	..	..	..	4,328,269
Inland revenue—						
Land-tax .. .. .	..	..	..	..	..	1,266,659
Income-tax .. .. .	..	..	..	..	..	3,368,516
Stamp and death duties .. .. .	..	..	..	..	..	3,359,868
Post and Telegraph—						
						£
Receipts .. .. .	..	..	..	..	..	3,077,735
Expenditure .. .. .	..	..	..	..	..	2,406,791
						<u>670,944</u>
Excess of receipts .. .. .	..	..	..	..	..	670,944
Post Office Savings-bank—						
Number of depositors, 758,188.						£
Amount at credit .. .. .	..	..	..	..	..	46,179,744
Reparation-moneys received from Germany .. .. .	..	..	..	..	..	186,227
Payments on account of pensions .. .. .	..	..	..	..	..	2,480,155
Capital expenditure on Public Works .. .. .	..	..	..	..	..	7,180,479
Capital reductions following on revaluations under Discharged Soldiers Settlement Acts						
Settlement Acts .. .. .	..	..	..	..	..	2,545,238
Closing of New Zealand Consols Account.						
Settlement of transactions relating to the New Zealand Expeditionary Forces and the Australian Forces in Egypt.						
						£
Interest for the year on the £2,000,000 Reserve Fund in London .. .. .	..	..	..	..	..	90,550

Public debt—					£
Gross debt at 31st March, 1926	..	..	..	..	238,855,478
Subdivided—					£
Ordinary .. .. .	..	..	..	..	125,992,741
War .. .. .	..	..	..	..	75,333,648
State advances .. .. .	..	..	..	..	27,771,153
Discharged soldiers settlement	..	..	..	..	9,757,936
					<u>£238,855,478</u>
					£
New loans raised during the year	..	..	..	..	13,374,539
Loans paid off during the year	..	..	..	..	2,333,708
					<u>£</u>
Net increase on gross debt	..	..	..	..	11,040,831
Net annual charge at 31st March, 1926	..	..	..	..	9,454,887
Assets held against debt increased by	..	..	..	..	13,875,734
Allocation of miscellaneous debt.					£
Capital of Public Debt Redemption Fund	..	..	..	..	24,725,645
5½-per-cent. loan for State Advances and other purposes—					£
Receipts to 31st March, 1926	..	..	..	..	4,883,705
Imperial funded debt—					£
Total amount funded 6th September, 1922	..	..	..	..	27,532,164
Less paid off .. .. .	..	..	..	..	1,275,142
					<u>£26,257,022</u>
					£
Nominal value of securities redeemed by Public Debt Commission	..	..	..	..	889,733
State Advances Office—					£
Capital increased by .. .. .	..	..	..	..	6,371,375
Total capital, 31st March, 1926	..	..	..	..	33,148,274
Total current advances .. .. .	..	..	..	..	30,296,837

ESTIMATES AND PROPOSALS, 1926-27.

Consolidated Fund—					£
Ordinary Revenue Account—					£
Estimated revenue .. .. .	..	..	..	..	24,266,200
Estimated expenditure .. .. .	..	..	..	..	23,986,616
					<u>£279,584</u>
					£
Estimated Customs and excise revenue	..	..	..	..	8,280,000
Estimated stamp and death duties	..	..	..	..	3,189,250
Estimated land and income tax	..	..	..	..	4,500,000
5-per-cent. London Loan for Public Works issued at £98 10s. (over-subscribed)	..	..	..	..	6,000,000
Transfer to Public Works Fund up to	..	..	..	..	1,000,000
Increased provision for naval defence.					
Further facilities for temporary investment of surplus cash balances.					
Report of Royal Commission on rural credits.					
Consideration of legislation relative to long-term mortgage scheme.					
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REVENUE FOR THE YEAR ENDED 31ST MARCH, 1926, COMPARED WITH THE YEAR ENDED 31ST MARCH, 1925.

	Year ended 31st March, 1926.	Year ended 31st March, 1925.	Increase.	Decrease.
	£	£	£	£
Customs	8,383,877	7,569,389	814,488	..
Beer duty	629,558	650,384	..	20,826
Stamp and death duties	3,359,868	3,240,332	119,536	..
Postal and telegraph	3,077,735	2,706,882	370,853	..
Land-tax	1,266,659	1,335,251	..	68,592
Income-tax	3,368,516	3,386,052	..	17,536
Registration and other fees	195,681	189,346	6,335	..
Marine	106,696	105,060	1,636	..
Interest on railway capital liability	1,913,311	1,468,523*	444,788	..
Interest on public moneys	605,061	1,188,120	..	..
Interest on Public Debt Redemption Fund	897,756	..	314,697	..
Local Bodies' Loans Act, 1908, sec. 76	19,961	22,201	..	2,240
Rents of buildings	23,571	23,266	305	..
Tourist and Health Resorts	56,734	48,669	8,065	..
Miscellaneous	48,998	231,534	..	182,536
Territorial	202,429	211,749	..	9,320
Departmental receipts	518,709	518,998	..	289
Recoveries on account expenditure of previous years	50,642	110,661	..	60,019
			2,080,703	361,358
			361,358	
Total revenue	24,725,762	23,006,417	1,719,345	..

* Difference between railway receipts and payments shown on either side of accounts last year.

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, 1926.

	Estimate for 1925-26.*	Actual for 1925-26.	Difference.	
			More.	Less.
	£	£	£	£
Customs	7,800,000	8,383,877	583,877	..
Beer duty	630,000	629,558	..	442
Stamp and death duties	3,290,800	3,359,868	69,068	..
Postal and telegraph	3,046,000	3,077,735	31,735	..
Land-tax	1,250,000	1,266,659	16,659	..
Income-tax	3,200,000	3,368,516	168,516	..
Registration and other fees	190,000	195,681	5,681	..
Marine	104,800	106,696	1,896	..
Interest on railway capital liability	1,910,000	1,913,311	3,311	..
Interest on public moneys	1,190,000	605,061	..	..
Interest on Public Debt Redemption Fund .. .. .	..	897,756	312,817	..
Local Bodies' Loans Act, 1908, sec. 76	22,000	19,961	..	2,039
Rents of buildings	24,000	23,571	..	429
Tourist and Health Resorts	53,000	56,734	3,734	..
Miscellaneous	56,000	48,998	..	7,002
Territorial	212,000	202,429	..	9,571
Departmental and other receipts	631,400	569,351	..	62,049
			1,197,294	81,532
			81,532	..
Totals	23,610,000	24,725,762	1,115,762	..

* Amended in accordance with legislation passed and reductions in taxation made during 1925 session of Parliament.

† Partly included in estimate for interest on public moneys, but additional revenue received as a result of passing of Repayment of Public Debt Act, 1925.

Table No. 5.

ESTIMATED REVENUE of the CONSOLIDATED FUND (Ordinary Revenue Account) for 1926-27, compared with the Actual Revenue received for 1925-26.

	Estimate for 1926-27.	Actual for 1925-26.	Differences.	
			Increase.	Decrease.
ORDINARY REVENUE ACCOUNT.				
	£	£	£	£
Customs	7,650,000	8,383,877	..	733,877
Beer Duty	630,000	629,558	442	..
Stamp and Death Duties	3,189,250	3,359,868	..	170,618
Postal and Telegraph	3,290,000	3,077,735	212,265	..
Land-tax	1,200,000	1,266,659	..	66,659
Income-tax	3,300,000	3,368,516	..	68,516
Registration and other Fees	200,000	195,681	4,319	..
Marine	112,000	106,696	5,304	..
Interest on Public Moneys	600,000	605,061	..	5,061
Interest on Railway Capital Liability	2,050,000	1,913,311	136,689	..
Interest on Public Debt Redemption Fund	1,102,000	897,756	204,244	..
Local Bodies' Loans Act, 1908, Section 76	20,000	19,961	39	..
Rents of Buildings	25,000	23,571	1,429	..
Tourist and Health Resorts	57,250	56,734	516	..
Miscellaneous	50,000	48,998	1,002	..
Territorial	205,000	202,429	2,571	..
Departmental Receipts	533,700	518,709	14,991	..
Recoveries on account Expenditure of previous Years	52,000	50,642	1,358	..
			585,169	1,044,731
			..	585,169
Total	24,266,200	24,725,762	..	459,562

Table No. 6.

COMPARATIVE STATEMENT of STAMP and DEATH DUTY REVENUE for 1924-25 and 1925-26.

Item.	1924-25.	1925-26.	Decrease.	Increase.
	£	£	£	£
Adhesive stamps	82,437	104,956	..	22,519
Duty on instruments	620,198	604,675	15,523	..
Death duty (estate and succession duty)	1,447,147	1,433,193	13,954	..
Gift duty	73,602	50,996	22,606	..
Impressed stamps and commuted duty on banks' cheques	80,262	167,288	..	87,026
Company licenses	63,134	65,948	..	2,814
Bank-note duty	197,626	203,264	..	5,638
Duties payable by racing clubs	590,385	659,642	..	69,257
Amusements-tax	78,877	64,162	14,715	..
Native-land rates	527	215	312	..
Penalties	5,055	4,967	88	..
Miscellaneous	1,082	562	520	..
			67,718	187,254
			..	67,718
	3,240,332	3,359,868	..	119,536

Table No. 7.

STATEMENT OF THE ACTUAL NET EXPENDITURE OF THE CONSOLIDATED FUND (ORDINARY REVENUE ACCOUNT) FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 1926, COMPARED WITH THE FINANCIAL YEAR ENDED 31ST MARCH, 1925.

	Year ended 31st March, 1926.	Year ended 31st March, 1925.	Increase.	Decrease.
Permanent Appropriations—	£	£	£	£
Civil List	29,084	29,781	..	697
Interest	8,129,799	7,865,262	264,537	..
Sinking Fund and Public Debt repayment	879,734	690,076	189,658	..
Reduction of Funded Debt	332,632	307,306	25,326	..
Under special Acts—				
Advances to other Governments	19,832	<i>Cr.</i> 59,598	79,430	..
Education purposes	111,389	128,844	..	17,455
Endowments	5,556	5,261	295	..
Miscellaneous	116,610	150,274	..	33,664
Pensions—				
Old-age	863,751	767,792	95,959	..
Widows'	285,654	235,959	49,695	..
Military	23,087	26,836	..	3,749
War	1,179,552	1,242,182	..	62,630
Miners'	37,705	35,948	1,757	..
Various	31,430	27,742	3,688	..
Salaries and honoraria	97,730	97,911	..	181
*Subsidies paid to Hospital Boards	593,777	561,708	32,069	..
Subsidies on rates paid to local authorities	212,190	203,185	9,005	..
Subsidies to Superannuation Funds and National Provident Fund	199,129	223,835	..	24,706
Territorial revenue	13,457	13,207	250	..
Transfer to Discharged Soldiers' Settlement Loans Act, 1920, Depreciation Fund Account	50,000	50,000	..	..
Transfer to Main Highways Account, Revenue Fund .. .. .	..	35,000	..	35,000
Loan to New Zealand and South Seas Exhibition	30,000	..	30,000	..
Railways: Losses on branch lines and isolated sections	344,830	..	344,830	..
	13,586,928	12,638,511	1,126,499	178,082

*Subsidy under Hospital and Charitable Institutions Acts for Jubilee Institute for the Blind is included under Education purposes.

Table No. 7—continued.

STATEMENT OF THE ACTUAL NET EXPENDITURE OF THE CONSOLIDATED FUND (ORDINARY REVENUE ACCOUNT) FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 1926, COMPARED WITH THE FINANCIAL YEAR ENDED 31ST MARCH, 1925—continued.

	Year ended 31st March, 1926.	Year ended 31st March, 1925.	Increase.	Decrease.
Annual Appropriations—	£	£	£	£
Legislative Departments	88,467	62,109	26,358	..
Treasury Department	36,372	51,953	..	15,581
Land and Income Tax Department	65,941	50,406	15,535	..
Stamp Duties Department	90,733	85,905	4,828	..
National Provident and Friendly Societies Department	22,529	22,430	99	..
Post and Telegraph working expenses ..	2,406,791	2,413,436	..	6,645
Public buildings	98,235	107,086	..	8,851
Government and other domains	5,763	5,786	..	23
Maintenance and repairs to roads	89,016	36,337	52,679	..
Maintenance of irrigation works	5,031	2,226	2,805	..
Native Department	29,293	27,996	1,297	..
Department of External Affairs	25,597	40,601	..	15,004
Cook Islands	30,083	21,386	8,697	..
Department of Industries and Commerce ..	105,372	114,161	..	8,789
Department of Justice	135,777	131,217	4,560	..
Prisons Department	73,695	76,366	..	2,671
Crown Law Office	4,982	5,535	..	553
Police Department	408,035	399,289	8,746	..
Pensions Department	182,857	94,448	88,409	..
Mines Department	46,697	38,028	8,669	..
Department of Internal Affairs	374,436	305,640	68,796	..
Audit Department	24,240	23,368	872	..
Public Service Commissioner's Office ..	7,862	6,058	1,804	..
Printing and Stationery Department ..	236,698	204,268	32,430	..
Mental Hospitals Department	272,204	244,331	27,873	..
Department of Health	264,000	229,032	34,968	..
Naval Defence	441,203	283,356	157,847	..
Defence Department	459,293	370,906	88,387	..
Customs Department	156,374	156,188	186	..
Marine Department	122,001	119,463	2,538	..
Department of Labour	49,683	45,472	4,211	..
Department of Lands and Survey	176,887	168,442	8,445	..
Scenery Preservation	20,543	2,981	17,562	..
Valuation Department	51,785	49,349	2,436	..
Electoral Department	101,709	7,334	94,375	..
Department of Agriculture	292,193	255,125	37,068	..
Department of Tourist and Health Resorts ..	70,794	66,294	4,500	..
Department of Education	2,879,719	2,777,271	102,448	..
Services not provided for	30,265	22,527	7,738	..
	9,983,155	9,124,106	917,166	58,117
	..	..	2,043,665	236,199
	..	..	236,199	..
Total expenditure (permanent and annual appropriations)	23,570,083	21,762,617	1,807,466	..

Table No. 8.
NET EXPENDITURE.

COMPARATIVE STATEMENT OF THE APPROPRIATED AND ACTUAL EXPENDITURE OF THE CONSOLIDATED FUND (ORDINARY REVENUE ACCOUNT) FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 1926.

	Net Appropriations, 1925-26.	Actual Net Expenditure, 1925-26.	Difference.	
			More.	Less.
Permanent Charges—	£	£	£	£
Civil List	29,800	29,084	..	716
Interest	8,049,164	8,129,799	80,635	..
Funded-debt repayment	332,845	332,632	..	213
Sinking Fund	686,972	7,000	} 192,762	..
Repayment of public debt .. .. .	..	872,734		..
Under special Acts	3,752,073	4,215,679	463,606	..
	12,850,854	13,586,928	737,003	929
Annual Appropriations,—				
Legislative Departments	88,909	88,467	..	442
Treasury Department	36,668	36,372	..	296
Land and Income Tax Department	74,191	65,941	..	8,250
Stamp Duties Department	99,947	90,733	..	9,214
National Provident and Friendly Societies Department	23,348	22,529	..	819
Post and Telegraph working-expenses	2,493,222	2,406,791	..	86,431
Public buildings	125,780	98,235	..	27,545
Government and other domains	8,545	5,763	..	2,782
Maintenance and repairs to roads	150,150	89,016	..	61,134
Maintenance of irrigation works	10,000	5,031	..	4,969
Native Department	34,110	29,293	..	4,817
Department of External Affairs	25,989	25,597	..	392
Cook Islands	37,923	30,083	..	7,840
Department of Industries and Commerce	97,024	105,372	8,348	..
Department of Justice	140,649	135,777	..	4,872
Prisons Department	84,766	73,695	..	11,071
Crown Law Office	5,841	4,982	..	859
Police Department	420,012	408,035	..	11,977
Pensions Department	194,329	182,857	..	11,472
Mines Department	51,970	46,697	..	5,273
Department of Internal Affairs	410,735	374,436	..	36,299
Audit Department	28,037	24,240	..	3,797
Public Service Commissioner's Office	8,681	7,862	..	819
Printing and Stationery Department	228,175	236,698	8,523	..
Mental Hospitals Department	296,982	272,204	..	24,778
Department of Health	269,946	264,000	..	5,946
Naval Defence	449,082	441,203	..	7,879
Defence Department	455,368	459,293	3,925	..
Customs Department	160,321	156,374	..	3,947
Marine Department	127,748	122,001	..	5,747
Department of Labour	52,780	49,683	..	3,097
Department of Lands and Survey	180,207	176,887	..	3,320
Scenery Preservation	24,789	20,543	..	4,246
Valuation Department	51,070	51,785	715	..
Electoral Department	97,119	101,709	4,590	..
Department of Agriculture	375,824	292,193	..	83,631
Department of Tourist and Health Resorts	70,705	70,794	89	..
Department of Education	2,889,773	2,879,719	..	10,054
Services not provided for .. .. .	..	30,265	30,265	..
	10,380,715	9,983,155	56,455	454,015
			793,458	454,944
			454,944	..
Total expenditure	23,231,569	23,570,083	338,514	..

Table No. 9.

ESTIMATED EXPENDITURE of the ORDINARY REVENUE ACCOUNT for 1926-27, compared with Actual Expenditure for 1925-26.

	Estimate for 1926-27.	Actual for 1925-26.	Differences.	
			Increase.	Decrease.
REVENUE ACCOUNT.				
Permanent Charges,—	£	£	£	£
Civil List	30,020	29,084	936	..
Interest	8,176,905	8,129,799	47,106	..
Funded Debt Repayment	349,608	332,632	16,976	..
Sinking Fund	2,882	7,000	..	4,118
Repayment of Public Debt	925,492	872,734	52,758	..
Under special Acts	4,208,852	4,215,679	..	6,827
	13,693,759	13,586,928	117,776	10,945
Annual Appropriations,—				
Legislative Departments	85,540	88,467	..	2,927
Treasury Department	36,144	36,372	..	228
Land and Income Tax Department	59,612	65,941	..	6,329
Stamp Duties Department	97,983	90,733	7,250	..
National Provident and Friendly Societies Department	23,897	22,529	1,368	..
Post and Telegraph Working-expenses.. .. .	2,496,929	2,406,791	90,138	..
Public Buildings	130,327	98,235	32,092	..
Government and other Domains	6,983	5,763	1,220	..
Maintenance and repairs to Roads	124,000	89,016	34,984	..
Maintenance of Irrigation Works	9,000	5,031	3,969	..
Native Department	34,038	29,293	4,745	..
Department of External Affairs	24,094	25,597	..	1,503
Cook Islands	26,972	30,083	..	3,111
Department of Industries and Commerce	41,157	105,372	..	64,215
Department of Justice	138,796	135,777	3,019	..
Prisons Department	90,911	73,695	17,216	..
Crown Law Office	6,280	4,982	1,298	..
Police Department	418,109	408,035	10,074	..
Pensions Department	180,913	182,857	..	1,944
Mines Department	52,925	46,697	6,228	..
Department of Internal Affairs	338,961	374,436	..	35,475
Audit Department	28,629	24,240	4,389	..
Public Service Commissioner's Office	8,586	7,862	724	..
Printing and Stationery Department	236,263	236,698	..	435
Mental Hospitals Department	330,086	272,204	57,882	..
Department of Health	267,428	264,000	3,428	..
Naval Defence	533,828	441,203	92,625	..
Defence Department.. .. .	471,535	459,293	12,242	..
Customs Department	171,366	156,374	14,992	..
Marine Department	127,158	122,001	5,157	..
Department of Labour	52,937	49,683	3,254	..
Department of Lands and Survey	173,018	176,887	..	3,869
Scenery Preservation.. .. .	7,165	20,543	..	13,378
Valuation Department	49,183	51,785	..	2,602
Electoral Department	6,330	101,709	..	95,379
Department of Agriculture	354,722	292,193	62,529	..
Department of Tourist and Health Resorts	75,670	70,794	4,876	..
Department of Education	2,975,382	2,879,719	95,663	..
Services not provided for .. .. .	..	30,265	..	30,265
	10,292,857	9,983,155	571,362	261,660
			689,138	272,605
			272,605	..
Total expenditure	£23,986,616	£23,570,083	£416,533	..

Table No. 10.

STATEMENT SHOWING HOW ACCUMULATED SURPLUSES HAVE BEEN APPLIED.

To Accumulated surpluses	£	By Transfers to—	£	£
at 31st March, 1925 ..	28,047,479	Discharged Soldiers Settlement Account—		
Surplus for financial year 1925-26	1,155,679	1920-21	13,330,000	
Net miscellaneous receipts credited to Ordinary Revenue Account during 1925-26	1,541	1921-22	170,000	13,500,000
Reparation - moneys received from Germany	186,227			
		Discharged Soldiers Settlement Depreciation Fund Account—		
		1920-21	50,000	
		1921-22	50,000	
		1922-23	50,000	
		1923-24	50,000	200,000
		Public Works Fund—		
		1920-21	500,000	
		1923-24	1,000,000	
		1924-25	1,000,000	
		1925-26	500,000	3,000,000
		Reserve Fund Securities Account—		
		For purchase of securities, 1920-21	1,200,000	
		For redemption of loan, 1922-23	800,000	2,000,000
		Loans redemption—		
		1921-22	560,011	
		1922-23	2,337,360	
		1923-24	1,367,341	
		1924-25	1,052,130	
		1925-26	566,161*	5,883,003
		Education Loans Account, 1923-24		100,000
		Ordinary revenue—		
		To balance revenue and expenditure, 1921-22		279,831
		Investments at 31st March, 1926— £		
		State Advances securities	445,000	
		Bank of New Zealand shares	750,000	
		Fixed deposit with Bank	200,000	
		Sundry Treasury securities	463,574	1,858,574
		Balance (cash and imprests) at 31st March, 1926		2,569,518
	<u>£29,390,926</u>			<u>£29,390,926</u>

* Includes £151,824 of reparation-moneys received from Germany.

Table No. 11.

STATEMENT of the ESTIMATED LIABILITIES chargeable on the CONSOLIDATED FUND (REVENUE ACCOUNT) outstanding on the 31st MARCH, each Year from 1915 to 1926.

	1915.	1916.	1917.	1918.	1919.	1920.	1921.	1922.	1923.	1924.	1925.	1926.
REVENUE ACCOUNT.												
Permanent Appropriations,—												
Civil List	144	3,200	84	54	24	..	148	232	186	185	161	318
Under Special Acts of the Legislature	8,615	15,508	1,013	2,351	2,746	4,739	7,168	37,669	27,710	13,667	15,411	13,435
Pensions .. .. .	..	73	..	270	312	498	594	413	243	2,756	796	701
	8,759	18,781	1,097	2,675	3,082	5,237	7,910	38,314	28,139	16,608	16,368	14,449
Annual Appropriations,—												
Legislative Departments	217	400	84	956	958	30	1,818	3,856	439	349	752	1,007
Departments of Minister of Finance*	397	333	1,589	7,708	33,828	10,992	51,929	3,981	3,914	3,744	7,502	11,064
Working Railways	157,575	113,679	129,112	136,976	170,311	262,551	408,363	182,645	195,627	263,254	332,985	..
Post and Tel-graph Department	79,467	63,474	65,245	81,068	88,463	174,127	125,013	115,335	97,079	114,961	104,383	93,919
Public Buildings, Docks, Maintenance of Roads, and	9,195	6,281	4,964	14,463	11,131	20,400	16,078	11,364	14,644	14,364	15,899	17,315
Maintenance of Irrigation Works	6,186	3,435	5,877	10,227	8,692	8,137	20,885	13,012	14,463	11,498	10,462	19,258
Justice Department †	6,707	7,044	6,863	..	..	1,300	2,455	1,350	1,358	868	2,087	2,371
Mines Department	6,847	..	..	..	..	16,115	32,600	59,835	27,211	29,525	26,186	61,088
Internal Affairs Department ‡	14,656	10,792	19,572	20,796	33,587	16,115	32,600	59,835	27,211	29,525	26,186	61,088
Defence Department §	25,369	20,409	7,792	17,292	20,288	5,637	6,396	28,256	12,340	28,715	55,459	94,392
Customs Department	1,234	1,249	3,351	5,144	6,119	2,284	4,082	4,487	3,937	4,027	4,857	9,198
Marine Department .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Labour Department	466	570	890	1,057	447	362	1,344	2,302	752	961	2,200	1,148
Lands Department	2,625	1,696	1,915	1,105	2,999	829	4,528	5,835	3,123	2,686	1,971	1,840
Agriculture Department || .. .. .	3,134	6,500	4,060	8,016	50,173	2,061	14,988	50,951	9,393	48,830	11,178	35,103
Education Department	13,862	41,060	20,332	14,196	18,585	4,122	11,616	25,963	22,520	22,200	10,414	10,405
Valuation and Electoral Departments ¶ .. .. .	..	..	..	..	1,244	1,471	642	2,306	3,052	1,897	1,277	2,337
	327,937	276,982	271,646	319,004	446,825	510,418	702,737	511,478	409,852	547,879	587,612	360,395
Services not provided for .. .. .	..	..	..	87	..	..	6	..	..	..	..	112
Refunds of Revenue .. .. .	..	..	..	..	..	..	..	..	3,873	..	..	1,344
Totals	336,696	295,763	272,743	321,766	449,907	515,655	710,653	549,792	441,864	564,487	604,017	376,300

* Includes Treasury, Land and Income Tax, Stamp Duties, and National Provident Fund and Friendly Societies Departments. † Includes Native, External Affairs, Supreme and Magistrates' Courts, Prisons, Police, Cook Islands, and Crown Law. ‡ Includes Audit, Printing and Stationery, Public Service Commissioner's Office, Mental Hospitals, Pensions, Sundry Preservation (1923-26), and Health Departments. § Includes Naval Defence. ¶ Includes Industries and Commerce and Tourist Departments. †† Previous to 1918-19 Valuation Department was included in Lands Department and Electoral Department was included in Internal Affairs Department. ** Now a separate account (See Table No. 15).

Table No. 12.
PUBLIC WORKS FUND.

STATEMENT SHOWING THE NET EXPENDITURE UNDER APPROPRIATIONS FOR THE YEAR ENDED 31ST MARCH, 1926, COMPARED WITH THE YEAR ENDED 31ST MARCH, 1925.

Vote.	Year ended 31st March, 1926.	Year ended 31st March, 1925.	Increase.	Decrease.
	£	£	£	£
Public Works, Departmental	126,475	127,493	..	1,018
Railway-construction	1,146,292	1,135,807	10,485	..
Additions to Open Lines	842,322	742,922	99,400	..
Public Buildings—				
General	29,369	30,791	..	1,422
Courthouses	7,209	5,363	1,846	..
Prison Buildings and Works	24,196	25,279	..	1,083
Police-stations	16,594	18,553	..	1,959
Postal and Telegraph	89,866	65,917	23,949	..
Agricultural	7,932	3,242	4,690	..
Mental Hospital Buildings	77,834	68,438	9,396	..
Health and Hospital Institutions	31,177	28,235	2,942	..
Timber-supply and Sawmills, &c.	<i>Cr.</i> 9,893	<i>Cr.</i> 20,537	10,644	..
Acquisition and Operation of Quarries	12,351	1,815	10,536	..
Lighthouses	5,691	2,852	2,839	..
Harbour-works	3,717	423	3,294	..
Development of Tourist Resorts	43,486	12,343	31,143	..
Department of Immigration	107,521	136,353	..	28,832
Roads, &c.	564,694	603,968	..	39,274
Roads on Goldfields	3,934	2,755	1,179	..
Telegraph Extension	931,661	957,294	..	25,633
Motor Transport Services	4,994	5,000	..	6
Contingent Defence	89,670	27,133	62,537	..
Lands, Miscellaneous	70,493	34,172	36,321	..
Irrigation, Water-supply, and Drainage	56,227	127,995	..	71,768
Plant, Material, and Stores	33,453	<i>Cr.</i> 12,229	45,682	..
Services not provided for	1,139	63	1,076	..
			357,959	170,995
			170,995	..
Totals	4,318,404	4,131,440	186,964	..

Table No. 13.

STATEMENT showing the Total WAYS and MEANS of the PUBLIC WORKS FUND, GENERAL PURPOSES ACCOUNT, and the Total Net EXPENDITURE to the 31st MARCH, 1926.

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 Land 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	997,640	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	5,061,081	18	2			
	Aid to Public Works and Land Settlement Act, 1922	4,408,904	7	6			
	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	2,439,100	0	0			
	Finance Act, 1921, Section 10	2,673,061	10	11			
	Finance Act, 1923, Section 2	4,306,626	17	7			
	Finance Act, 1924, Section 2	2,065,893	1	11			
	Post and Telegraph Act, 1908	200,000	0	0			
	Midland Railway Petitions Settlement Acts, 1902 and 1903	150,000	0	0			
	Paeroa-Waihi Railway Act, 1903	75,000	0	0			
	Waikaka Branch Railway Act, 1905	50,000	0	0			
	Wellington and Manawatu Railway Purchase Act, 1903	1,000,000	0	0			
	Appropriation Act, 1912	15,000	0	0			
	Irrigation and Water-supply Act, 1913	100,000	0	0			
					82,356,695	4	0
RECEIPTS IN AID:—							
	Amount transferred from Consolidated Fund	14,305,000	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	61,964	7	6			
	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			
					15,418,683	0	4
					<u>£97,775,378</u>	<u>4</u>	<u>4</u>

Table No. 13—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, 1926—continued.

NET EXPENDITURE.		£	s.	d.	£	s.	d.
Expenditure on—							
Immigration		2,932,490	13	9			
Public Works, Departmental		2,293,023	1	9			
Railways, including Surveys of New Lines and payment to Midland Railway Bondholders.. .. .		48,581,119	4	11			
Roads		15,684,081	9	6			
Land-purchases		2,061,738	9	4			
Development of Mining		882,975	0	11			
Telegraph Extension		8,108,366	0	5			
Public Buildings		9,604,987	9	1			
Lighthouses, Harbour Works and Defences		1,206,691	13	3			
Contingent Defence		1,208,131	17	3			
Rates on Native Lands		68,671	16	10			
Thermal Springs		14,599	13	2			
Development of Tourist Resorts		392,627	11	7			
Lands Improvement		300,150	17	6			
Plant, Material, and Stores		384,631	0	7			
Charges and Expenses of raising Loans		2,339,953	13	5			
Coal-mines		10,835	8	0			
Interest and Sinking Fund		218,500	0	0			
Irrigation and Water-supply		677,407	18	1			
Timber Supply, Sawmills, &c.		4,172	5	9			
Acquisition and operation of quarries		14,166	12	8			
Motor Transport Service		33,635	5	3			
Transfer to Main Highways Account, Construction Fund		226,000	0	0			
					97,248,957	3	0
Balance on 31st March, 1926,—							
Cash in the Public Account		366,331	4	7			
Imprests outstanding		101,089	16	9			
Investments		59,000	0	0			
					526,421	1	4
					£97,775,378	4	4

Table No. 14.
STATEMENT of the ESTIMATED LIABILITIES chargeable on the PUBLIC WORKS FUND (GENERAL PURPOSES ACCOUNT), outstanding on the 31st MARCH each Year from 1915 to 1926.

	1915.	1916.	1917.	1918.	1919.	1920.	1921.	1922.	1923.	1924.	1925.	1926.
Annual Appropriations—												
Public Works, Departmental ..	£ 1,990	£ 710	£ 1,316	£ 691	£ 973	£ 869	£ ..	£ 562	£ 513	£ 508	£ 1,038	£ 1,768
Railways ..	417,718	298,522	233,271	150,492	239,397	240,240	818,593	456,402	261,910	269,090	455,534	99,592
Irrigation and Water-supply ..	..	..	1,424	681	1,360	4,322	3,257	4,591	3,512	11,257	6,257	2,406
Public Buildings ..	175,041	188,640	150,935	117,774	71,646	64,969	112,904	56,944	98,346	18,752	19,571	19,521
Timber-supply, &c. ..	..	..	..	..	..	..	..	1,734	141	865	557	81
Acquisition and Operation of Quarries ..	..	..	..	..	..	..	..	..	..	..	3,228	2,011
Lighthouses, Harbour-works, and Harbour-defences ..	133	53	140	56	..	..	49	550	3,918	91	74	591
Development of Tourist Resorts ..	1,642	1,217	190	70	4,250	187	2,182	78	493	776	1,137	6,697
Immigration ..	..	..	..	..	..	..	..	..	..	..	..	33,179
Roads ..	250,195	174,220	116,564	129,710	156,409	304,313	393,226	211,209	257,731	142,565	48,784	214,007
Development of Mining ..	500	..	..	..	..	..	682	..	..	..	..	..
Telegraph Extension ..	247,114	11,468	..	10,888	15,907	266,273	463,843	385,109	360,027	488,989	539,812	..
Contingent Defence ..	289	..	113	510	321	..	..	..	..	..	..	..
Land, Miscellaneous ..	399	35	..	..	..	..	..	1,926	1,202	1,166	1,819	3,621
Plant, Material and Stores ..	..	7,801	2,980	13,962	38,621	72,898	138,698	24,498	16,136	5,638	2,947	4,292
Electric Supply* ..	..	..	..	..	372	..	..	..	..	..	..	..
Totals ..	1,094,961	677,666	506,933	424,884	519,256	954,071	1,933,434	1,143,603	988,929	939,692	1,080,703	442,625

* Now a separate account.

Table No. 15.

STATEMENT of the ESTIMATED LIABILITIES chargeable on the undermentioned SEPARATE ACCOUNTS outstanding on the 31st March each Year from 1915 to 1926.

	1915.	1916.	1917.	1918.	1919.	1920.	1921.	1922.	1923.	1924.	1925.	1926.
	£	£	£	£	£	£	£	£	£	£	£	£
Aid to Water-power Works Account	12,919	22,861	28,778									
Cheviot Estate Account									393			
Deteriorated Lands Account												117
Discharged Soldiers Settlement Account			3,169									2,214
Education Loans Account							9,510	1,692	144	9,274	2,774	
Deposits Account (Education Reserves Amendment Act, 1914)												
Electric Supply Account				18,603	16,673	102,991	355,636	299,214	583	37,734	222	3
Government Accident Insurance Account	279	316	141	219	192	273	210	397	344,075	75,743	75,743	87,856
Government Life Insurance Account	645	366	348	253	460	678	600	3,741	2,011	2,849	14	956
Hauraki Plains Settlement Account	165	101	144	130	371	118	4,211	7,544	4,079	2,741	2,849	1,142
Housing Account						1,631	8,477					1,808
Irrigation and Water-supply Account	6,740	3,705										
Kauri-gum Industry Account	188	1,854	738	2,525	1,808	3,761				45	65	441
Land for Settlements Account	3,452	2,452		311	165	516	526	982	5	49	1,096	1,148
Land for Settlements Account (Discharged Soldiers Settlement Account)						175	1,565	1,282	826	136	456	288
Land for Settlements Account (Opening up Crown Lands for Settlement Account)			9,874		14,594	193	4,253	6,584	83	47	20	2,799
Main Highways Account—	14,362	5,843										
Revenue Fund												
Construction Fund												
National Endowment Account	4,862	3,177	1,680								15,047	73,703
Native Land Settlement Account	1,294	1,106	433	17	12,151	673	1,426	2,717	1,880	1,611	1,113	81,847
Native Trustee's Account									268	61	1,008	1,005
Nauru and Ocean Islands Account								22,870	515		20	542
Public Service Superannuation Fund Account								296	364	389	345	28
Railways Improvement Authorization Act 1914 Account			97,296	34,692	15,734	20,096	7,388	11,768	16,603	22,529	45,992	42,083
Rangitiki Land Drainage Account	118	116	29	414	189	459	1,081	2,768	956	594	2,621	448
Scenery Preservation Account*	131						29	484	28			
State Advances Account	331	361	362	572	291	708	615	623	2,636	4,502	2,648	2,699
State Coal-mines Account		10,000	1,069	10,000	11,000	17,800	22,000	22,200	14,540	10,631	6,302	4,930
State Fire Insurance Account	820	1,072	1,069	19	85	314	19	78		15	503	202
State Forests Account	287	153		125	60		5,067	4,486	4,032	3,240	3,152	13,455
Swamp Land Drainage Account				267	310	163	684	3,453	3,409	3,233	864	1,174
Telegraph Extension Account			16,138									
Waihou and Ohinemuri Rivers Improvement Account	4,558	283	6,298	8,066	4,853	500	1,877	5,298	11,004	1,522	2,496	2,954
Waimarino Bush-fire Relief Account				2,696								
War Expenses Account	596,710	916,436	3,415,111	5,415,000	3,948,625	2,216,349	603,000	724,278	579,976	182,409		
Wellington-Hutt Railway and Road Improvement Account	200											
Westport Harbour Account												612
Working Railways Account.†									498	526	464	309,278

* Now a vote under Consolidated Fund.

† Formerly vote under Consolidated Fund.

Table No. 16.

RECEIPTS AND PAYMENTS OF ACCOUNTS, 1925-26, WITH BALANCES AT 1ST APRIL, 1925, AND 31ST MARCH, 1926.

Account.	Balance, 1st April, 1925.	Receipts.	Credits in Reduction.	Net Expenditure.	Balance, 31st March, 1926.	
					In Cash.	In Investments.
Consolidated Fund—	£	£	£	£	£	£
Ordinary Revenue	4,150,806	26,763,830	3,897,193	26,486,553	2,569,518	1,858,574
State Coal Mines	22,074	235,690	1,395	239,192	1,072	17,500
State Coal-mines Sinking Fund	41,669	6,530	..	..	319	47,880
Nauru and Ocean Islands	41,717	37,766	..	76,357	3,126	..
Nauru and Ocean Islands Sinking Fund	13,539	6,630	..	20,150	19	..
Accounts of Local Bodies	10,562	22,458	..	22,556	10,464	..
Deposits	417,157	1,698,524	..	1,762,061	8,170	345,450
Public Works Fund—						
General Purposes	379,439	5,388,070	753,061	5,241,088	467,421	59,000
Waihou and Ohinemuri Rivers Improve- ment	273	72,209	1,297	50,772	21,710	..
Electric Supply	229,248	1,121,065	36,588	1,212,201	48,112	90,000
Electric Supply Sinking Fund	12,108	5,283	..	..	1	17,390
Advances to other Governments	437	332,064	..	300,989	31,512	..
Bank of New Zealand Acts	875,000	..	..	..	..	875,000
Cheviot Estate	223,950	26,332	..	45,376	73,686	131,220
Conversion	6,074	..	..	6,074	..	..
Deteriorated Lands .. .. .	..	2,000	..	272	1,728	..
Discharged Soldiers Settlement	178,011	1,613,381	28,778	1,665,118	26,455	99,819
Discharged Soldiers Settlement Loans Act 1920 Depreciation Fund	271,735	61,876	..	38,564	18,197	276,850
Education Loans	126,455	478,650	6,225	534,950	40,155	..
General Purposes Relief	18,169	6,067	..	2,922	6,314	15,000
Hauraki Plains Settlement	5,907	92,575	10,546	64,976	33,506	..
Howard Estate .. .. .	..	243	..	243	..	..
Hunter Soldiers' Assistance Trust	2,543	663	..	127	334	2,750
Kauri-gum Industry	2,435	15,525	69	14,518	3,442	..
Land Assurance Fund	86,699	4,181	..	10,121	2,359	78,400
Land for Settlements	60,903	556,935	24,816	484,670	6,168	127,000
Land for Settlements (Discharged Soldiers Settlement)	7,632	81,088	4,283	17,447	21,273	50,000
Land for Settlements (Opening up Crown lands)	4,183	27,746	13	25,327	6,602	..
Loans Redemption	66,962	31,378,615	..	31,427,068	18,509	..
Main Highways Revenue Fund	531,373	376,432	5,228	303,196	2,609	652,000
Main Highways Construction Fund	546	592,014	15,967	472,456	30,104	90,000
Mining Advances	11,857	789	..	..	2,646	10,000
National Endowment	126,655	149,332	..	149,494	26,393	100,100
National Endowment Trust	16,637	5,342	..	1,773	516	19,690
Native Land Settlement	158,012	118,968	159	172,649	41,331	63,000
New Zealand Consols	475,992	..	..	475,992	..	..
Public Accounts Cash Balance Investment .. .. .	..	486,000	..	486,000	..	..
Public Debt Repayment .. .. .	..	872,734	..	870,638	2,096	..
Railways Improvement Authorization Act, 1914	577,601	542,643	23,088	839,582	43,762	236,900
Rangitaiki Land Drainage	49,013	1,153	1,038	25,982	4,184	20,000
Reserve Fund	2,000,000	..	..	..	..	2,000,000
Samoan Loan Suspense .. .. .	..	15,000	..	15,000	..	..
State Advances Loan	344,786	6,518,080	..	4,570,177	151,474	2,141,215
State Forests	169,400	171,465	1,545	213,004	2,361	125,500
Swamp Land Drainage	32,866	36,044	650	56,408	12,502	..
War Expenses	8,480	25,599	6,363	34,079	..	..
Westport Harbour	55,315	56,921	62	42,215	21,521	48,500
Working Railways .. .. .	..	8,693,115	574,793	7,894,965	623,150	175,000
Totals	11,864,225	88,697,636	5,393,157	86,403,302	4,384,821	9,773,738

Table No. 17.

STATEMENT SHOWING THE AVAILABLE FINANCIAL RESOURCES OF THE VARIOUS PUBLIC ACCOUNTS ON THE 31ST MARCH, 1925, AS COMPARED WITH THE 31ST MARCH, 1926.

Account.	1925.			1926.		
	Balance on 31st March, 1925.	Liabilities on 31st March, 1925.	Unexhausted Authority for raising Loan on 1st April, 1925.	Balance on 31st March, 1926.	Liabilities on 31st March, 1926.	Unexhausted Authority for raising Loan on 1st April, 1926.
Consolidated Fund—	£	£	£	£	£	£
Ordinary Revenue	4,150,806	604,017	..	4,428,092	376,300	..
State Coal-mines	22,074	6,302	55,000	18,572	4,930	55,000
State Coal-mines Sinking Fund ..	41,669	..	..	48,199	..	..
Nauru and Ocean Islands	41,717	..	..	3,126	..	..
Nauru and Ocean Islands Sinking Fund	13,539	..	..	19	..	..
Public Works Fund—						
General Purposes	379,439	1,080,703	4,000,920	526,421	442,625	4,061,050
Waihou and Ohinemuri Rivers Improvement	273	2,496	164,000	21,710	2,954	95,000
Electric Supply	229,248	75,743	6,506,990	138,112	87,856	5,676,990
Electric Supply Sinking Fund	12,108	..	..	17,391	..	..
Advances to other Governments	437	..	..	31,512	..	..
Bank of New Zealand Acts	875,000	..	..	875,000	..	..
Cheviot Estate	223,950	..	..	204,906	..	..
Conversion	6,074	..	..	..	..	..
Deteriorated Lands .. ..	..	..	..	1,728	117	98,000
Discharged Soldiers Settlement	178,011	..	862,750	126,274	..	862,750
Discharged Soldiers Settlement Loans Act 1920 Depreciation Fund	271,735	..	..	295,047	..	..
Education Loans	126,455	2,774	1,586,770	40,155	2,214	1,108,120
General Purposes Relief	18,169	..	..	21,314	..	..
Hauraki Plains Settlement	5,907	2,099	70,000	33,506	1,808	25,000
Hunter's Soldiers Assistance Trust	2,548	..	..	3,084	..	..
Kauri-gum Industry	2,435	65	..	3,442	441	..
Land Assurance Fund	86,699	..	..	80,759	..	..
Land for Settlement	60,903	1,096	500,000	133,168	1,143	500,000
Land for Settlements—						
Discharged Soldiers Settlement	7,632	456	1,500,000	71,273	238	1,500,000
Opening-up Crown Lands for Settlement	4,183	20	250,000	6,602	2,799	250,000
Loans to Employers for Workers' Dwellings	..	..	250,000	..	..	..
Loans Redemption	66,962	..	..	18,509	..	..
Main Highways—						
Revenue Fund	581,373	15,047	..	654,609	73,703	..
Construction Fund	546	17,328	3,000,000	120,104	81,847	2,500,000
Mining Advances	11,857	..	50,000	12,646	..	50,000
National Endowment	126,655	1,113	..	126,493	1,005	..
National Endowment Trust	16,637	..	..	20,206	..	..
Native Land Settlement	158,012	1,008	500,000	104,331	542	500,000
Public Debt Repayment .. ..	..	..	..	2,096	..	..
Railways Improvement Authorization Act, 1914	577,601	45,992	1,458,310	280,662	42,083	958,310
Rangitaiki Land Drainage	49,013	2,621	15,000	24,184	448	15,000
Reserve Fund	2,000,000	..	..	2,000,000	..	..
Samoa Loan Suspense .. ..	..	..	5,000	..	..	22,000
State Forests	169,400	3,152	3,225	127,861	13,455	3,225
Swamp Land Drainage	32,866	864	150,000	12,502	1,174	150,000
War Expenses	8,480	..	4,467,360	..	..	4,467,360
Westport Harbour	55,315	464	..	70,021	612	..
Working Railways .. ..	..	..	..	798,150	309,278	..
New Zealand Consols	475,992	..	..	..	..	..
State Advances	659,853	2,648	9,714,250	2,469,687	2,699	9,964,250
<i>Additional Unexhausted Authorities for raising Loans.</i>						
Hutt Railway and Road Improvement Acts, 1903, 1905, 1907, 1910	..	..	3,320	..	..	3,320
Government Railways Amendment Act, 1910	..	..	55,470	..	..	55,470
Finance Act, 1917, sec. 77 (Discharged Soldiers Settlement)	..	..	1,000,000	..	..	1,000,000
Naval Defence Act, 1909 (inoperative)..	..	..	299,400	..	..	299,400
Land Act, 1924 (waste lands)	..	..	1,000,000	..	..	1,000,000
Government Accident Insurance Act, 1908	..	..	23,000	..	..	23,000
State Fire Insurance Act, 1908	..	..	98,000	..	..	98,000
Totals	11,751,573	1,866,008	37,588,765	13,971,473	1,450,271	35,341,245

Table No. 18.

SUMMARY OF PUBLIC DEBT AND OF THE STATE ASSETS WHICH MAY BE SET OFF AGAINST IT, AS AT 31ST MARCH, 1926, TOGETHER WITH SUPPORTING SCHEDULE SHOWING DETAILS OF ASSETS.

<i>Debt.</i>							£
Ordinary debt	..	..	..	..	..	..	125,992,741
War debt	..	..	..	..	..	..	75,333,648
State Advances debt	..	..	..	..	..	..	27,771,153
Discharged soldiers debt	..	..	..	..	..	..	9,757,936
Surplus assets over debt	..	..	..	..	..	..	8,864,938
							£247,720,416
<i>Assets.</i>							£
Cash and investments (Reserve Funds, Bank of New Zealand shares, Public Debt Redemption Fund, &c.)	..	..	..	..	..	..	38,193,015
Sinking funds accrued	..	..	..	..	..	..	2,274,262
Loans and advances outstanding (Discharged Soldiers, State Advances, &c.)	..	..	..	..	..	..	31,957,624
Revenue Earning and Trading Accounts (Railways, Telegraphs, &c.)	..	..	..	..	..	..	68,959,878
Lands and forests (Crown lands, State forests, &c.)	..	..	..	..	..	..	72,615,656
Indirectly productive expenditure—							£
Roads and public buildings, &c.	..	..	..	..	..	..	30,787,490
Immigration	..	..	..	..	..	..	2,932,491
							33,719,981
							£247,720,416

Details of Assets included above.

(Note : Stores or supplies in hand not included in assets.)

Cash and Investments :—			
*Cash in the Public Account and in the hands of officers of the Government	..	..	£ 4,362,072
†Less liabilities outstanding, 31st March, 1925	..	..	1,435,882
			2,926,190
*Investment of cash balances	..	..	5,738,018
Reserve fund (securities at cost)	..	..	1,928,162
Post Office Savings-bank Reserve Fund	..	..	1,000,000
Bank of New Zealand shares (nominal value)	..	..	1,875,000
†Public Debt Redemption Fund	..	..	24,725,645
			38,193,015
Sinking funds accrued—			
State Advances debt	..	..	2,017,348
State Coal-mines	..	..	48,199
Westport Harbour loans	..	..	186,558
Samoan loan	..	..	4,747
Nauru and Ocean Islands Sinking Fund Account	..	..	19
Electric Supply Sinking Fund Account	..	..	17,391
			2,274,262
Loans and advances outstanding—			
Mining purposes	..	..	33,015
Local bodies (annuity value of interest receivable)	..	..	1,075,000
Samoan (loan, less sinking fund)	..	..	105,253
Repatriation advances outstanding, 31st March, 1926	..	..	407,016
			£
Discharged soldiers' mortgages and property held	..	..	18,493,481
Less amount included in Public Debt Redemption Fund	..	..	13,500,000
			4,993,481
State Advances—Mortgages and property held, less sinking funds and investments included elsewhere	..	..	25,292,359
General purposes relief—Advances outstanding	..	..	51,500
			31,957,624

* Does not include trust, deposit, or sinking funds, or certain other accounts included elsewhere.

† After deducting £13,948, credits due from other Governments.

‡ Includes £13,500,000 previously included under discharged soldiers mortgages, and £11,225,645 of accumulated sinking funds.

Details of Assets included above—continued.

	£	
Revenue Earning and Trading Accounts—		
Railways (capital cost, including unopened lines and value of assets taken over from provinces)	53,716,455	
Telegraphs (value of assets)	7,311,422	
Pacific cable (estimated value of Dominion's interest)	100,000	
Electric-power supply and development (capital cost)	4,740,425	
Westport Harbour-works (value of assets)	585,195	
Lighthouses and harbour-works (capital expenditure)	1,206,692	
Tourist and health resorts (capital expenditure)	407,228	
State coal-mines (value of assets)	242,421	
Kauri-gum (trading capital)	85,000	
Nauru and Ocean Islands (purchase price of rights)	565,040	
	<hr/>	68,959,878
Lands and forests—		
Crown lands (estimated value, including settlement lands, Native lands, and education reserves)	31,552,178	
Land-drainage schemes (capital invested)	1,306,070	
Irrigation and water-supply (capital expenditure)	677,408	
Waihou and Ohinemuri Rivers improvement (capital expenditure)	482,489	
Lands improvements (capital expenditure)	300,151	
Samoan Crown Estates (value of Dominion's interest)	662,360	
Howard Estate	75,000	
State forests (estimated value of forests, reserves, plantations, and nurseries)	37,560,000	
	<hr/>	72,615,656
Indirectly productive expenditure—		
Public buildings (including school buildings)	12,067,784	
Roads (including roads on Crown lands and main highways)	17,818,392	
Timber-supply, sawmills, &c. (capital invested)	4,172	
Quarries (acquisition and working)	14,167	
Development of mining (capital expenditure)	882,975	
Immigration (capital expenditure)	2,932,491	
	<hr/>	33,719,981
		<hr/> <hr/>
		£247,720,416

Table No. 19.

STATEMENT showing the Amount charged to "UNAUTHORIZED" in each Financial Year from 1st April, 1900, to 31st March, 1926.

FINANCIAL YEAR.	CONSOLIDATED FUND.—REVENUE ACCOUNT.						OTHER ACCOUNTS.	PUBLIC WORKS FUND.	TOTAL.			
	Services not provided for.	Excess of Votes.		Total.								
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
1900-1901 ..	26,367	18	6	62,788	3	2	89,156	1	8	662	7	7
1901-1902 ..	3,836	7	0	68,866	10	9	72,702	17	9	253	8	10
1902-1903 ..	9,027	5	4	101,076	10	4	110,103	15	8	200	0	0
1903-1904 ..	3,344	11	0	47,775	11	4	51,120	2	4	2,248	6	6
1904-1905 ..	6,215	4	8	22,109	12	2	28,324	16	10	13,547	11	7
1905-1906 ..	8,576	16	7	52,385	3	7	60,962	0	2	23,956	9	10
1906-1907 ..	4,989	9	1	28,559	6	2	33,548	15	3	12,867	10	8
1907-1908 ..	4,132	3	3	37,713	8	11	41,846	12	2	429	9	0
1908-1909 ..	14,127	8	1	50,890	5	1	65,017	13	2	15,257	11	1
1909-1910 ..	15,324	5	7	23,100	14	0	38,424	19	7	3,500	7	0
1910-1911 ..	10,427	9	4	27,200	14	6	37,628	3	10	1,009	9	7
1911-1912 ..	20,332	3	1	62,950	14	7	83,282	17	8	860	5	4
1912-1913 ..	2,506	15	0	115,428	2	5	117,934	17	5	63	15	0
1913-1914 ..	4,730	15	8	80,228	10	11	84,959	6	7	137	5	8
1914-1915 ..	109,512	12	4	68,004	2	1	177,516	14	5	853	3	5
1915-1916 ..	30,865	10	2	47,222	13	9	78,088	3	11	14,742	5	9
1916-1917 ..	41,600	17	4	106,454	9	0	148,055	6	4	34,852	5	5
1917-1918 ..	17,909	4	7	48,886	8	7	66,795	13	2	26,010	17	11
1918-1919 ..	13,519	17	3	66,701	19	8	80,221	16	11	..	..	..
1919-1920 ..	77,149	13	2	362,295	0	5	439,444	13	7	1,239	5	4
1920-1921 ..	108,498	19	2	392,596	5	9	501,095	4	11	1,750	12	6
1921-1922 ..	2,455	13	7	105,962	14	10	108,418	8	5	2,982	1	6
1922-1923 ..	65,687	7	9	76,710	6	9	142,397	14	6	754	10	10
1923-1924 ..	189,384	15	11	1,983	3	1	191,367	19	0	33,123	3	1
1924-1925 ..	22,526	15	9	63,690	15	3	86,217	11	0	27,390	19	0
1925-1926 ..	30,265	7	9	26,257	3	7	56,522	11	4	30,811	19	2
										23,665	13	8
										111,000	4	2

Table No. 20.

EDUCATION EXPENDITURE.

TOTAL EXPENDITURE ON EDUCATION OUT OF PUBLIC FUNDS, INCLUDING UNIVERSITY, PRIMARY, SECONDARY, AND HIGHER EDUCATION, TECHNICAL AND SPECIAL SCHOOLS, 1913-14 TO 1925-26.

Year.	Consolidated Fund.					Loan-money: Erection of School Buildings and Residences.		Total.	Per Head of Mean Population.		
	Special Acts.	National Endowment Revenue.	Administration: Vote, Education, Salaries and other Charges.	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	244,722	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	86,746	2,752,271†	118,973*	68,000	..	462,212	3,617,046	2	13	2
1925-26 ..	111,389	87,512	2,854,719†	119,978*	70,952	..	564,946	3,809,496	2	14	9

* Net revenue after deducting expenses and cost of collection.

† Excluding £25,000 for teachers' superannuation, included under that heading.

In addition, secondary schools and University colleges derive direct income (amounting for 1925-26 to £80,600) from reserves vested in them.

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

	£
1916-17 ..	2,127
1917-18 ..	2,658
1919-20 ..	15,682
1920-21 ..	16,162
1921-22 ..	27,103
1922-23 ..	8,542
1923-24 ..	12,490
1924-25 ..	32,829
1925-26 ..	4,938

Table No. 21.
NEW ZEALAND.—STATISTICAL COMPARISONS FOR A DECENNIAL PERIOD.

Item.	Dates or Periods.	Unit.	Statistics for		Increase.	
			First Date or Period.	Second Date or Period.	Numerical.	Per Cent
Population (including Maoris)	Census, 1916 and 1926 ..	No.	1,149,225	1,407,165	257,940	22
Total trade	} Years ended 31st March, 1916 and 1926	£	56,699,148	101,723,443	45,024,295	79
Imports		£	22,917,437	53,025,856	30,108,419	131
Exports		£	33,781,711	48,697,587	14,915,876	44
Exports of wool	} Calendar Years 1915 and 1925	lb.	196,570,114	205,726,856	9,156,742	5
Exports of frozen meat		£	10,387,875	17,739,736	7,351,861	71
Exports of butter		ewt.	3,591,260	3,414,205	-177,055*	-5*
Exports of cheese		£	7,794,395	11,174,567	3,380,172	43
Exports of apples		ewt.	420,144	1,245,324	825,180	196
Cattle		£	2,700,625	10,240,132	7,539,507	279
Dairy cows		ewt.	817,258	1,376,754	559,496	68
Sheep		£	2,730,211	5,800,808	3,070,597	112
Pigs		lb.	2,411,008	8,507,043	6,096,035	253
Hives of bees		£	20,978	116,101	95,123	453
Exports of honey	1916 and 1925	No.	2,417,491	3,503,744	1,086,253	45
	1916 and 1925	No.	750,323	1,323,432	573,109	76
	1916 and 1926	No.	24,788,150	24,750,000	-38,150*	..
	1916 and 1925	No.	297,501	440,115	142,614	48
	1911 and 1923	No.	71,605	89,600	17,995	25
	Calendar Years 1915 and 1925	lb.	267,945	1,822,043	1,554,098	580
		£	6,068	53,156	47,088	776
Factory production—	} Years ended 31st March, 1916 and 1925	No.	3,786	4,547	761	20
Establishments		No.	50,744	71,760	21,016	41
Employees		£	6,654,504	13,557,236	6,902,732	104
Wages paid		£	45,454,184	84,101,313	38,647,129	85
Value of products		£	21,951,576	49,978,842	28,027,266	128
Values of land, buildings, machinery, and plant	} At 31st March, 1916- and 1926	miles	17,121	24,109	6,988	41
Telegraph and telephone lines		miles	176,577	462,224	285,647	162
Telegraph and telephone wire		No.	44,836	102,509	57,673	129
Telephone subscribers		miles	2,960	3,138	178	6
State railways						
Government expenditure on roads and bridges	Years ended 31st March, 1916 and 1926	£	400,062	949,077	549,015	137
Government water-races for irrigation purposes	At 31st March, 1916 and 1926	miles	98	407	309	315
Area of swamp drained by Government	At 31st March, 1916 and 1926	acres	64,659	195,338	130,679	202

* Decrease.

Table No. 31

NEW ZEALAND—STATISTICAL COMPANION FOR A DECADE—1910

Item	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930
Government expenditure on roads and bridges	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Government expenditure on irrigation purposes	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300
Telephone and telegraph wires	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
State railways	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Value of total output	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Value of products	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Value of total output	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Value of products	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Value of total output	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Value of products	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Value of total output	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Value of products	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000

* Denotes