

1938.
NEW ZEALAND.

FINANCIAL STATEMENT.

(In Committee of Supply. 20th July, 1938.)

BY THE HON. WALTER NASH, MINISTER OF FINANCE.

MR. CHAIRMAN,—

It is again my privilege to present a review of the Government's stewardship for the year, and my task is made the easier in that, in common with its two immediate predecessors, the past year has been one of progress and prosperity.

The economic position of the Dominion is sound and satisfactory. The trade returns for the year ended 31st March last (the June quarter's statistics are not yet available) indicate that exports reached a total of over £65,000,000—a record for the Dominion—and representing an increase of £4,770,000 over that of the previous record in 1936–37. All the principal headings of export contributed to this favourable result.

Economic conditions.

Butter exports totalled £18,027,000, representing an increase of £2,060,000 in value and 64,000 cwt. in quantity compared with the results of the previous year. In regard to wool, although there was a very substantial fall in world prices during the latter part of the year and the actual quantity exported from New Zealand showed a reduction of 22,500 bales, exports were valued at £16,012,000, representing an increase of £225,000 over the returns for the previous year. Chilled and frozen meat exports, it is satisfactory to note, amounted to £14,492,000, an increase of £1,866,000 in value and 472,000 cwt. in quantity compared with the results for 1936–37. Altogether the year was a most successful and profitable one.

Increased export returns.

The increased spending-power within the Dominion during the year resulted in increased imports which reached a total of £58,000,000. It is satisfactory to know that a large proportion of the total increase was in respect of capital goods—machinery, &c.—which will be utilized in revenue-producing activities within the Dominion.

Improvement within the Dominion.

The evidence shows that the value of total production and of farm production surpassed the results of any previous year, while farm incomes and salary and wage payments reached record high levels. Similar records were also attained in respect of the bank-note circulation and radio licenses issued, while a very material advance was made in building activity. In addition, as a result of the development of secondary industries within the Dominion, the number of persons in remunerative employment reached record proportions.

The high standard of material welfare which the Dominion enjoyed throughout last year was closely reflected in the banking statistics, and at the 31st March last the amount at credit of depositors with trading banks stood at a total of £66,500,000. The savings-bank statistics perhaps reflect more closely the position of the man of smaller means, and at the 31st March, 1938, the numbers of depositors had reached