

1914.
NEW ZEALAND.

FINANCIAL STATEMENT

(In Committee of Supply, 6th August, 1914)

BY THE MINISTER OF FINANCE, THE HON. JAMES ALLEN.

Mr. MALCOLM,—

It is with considerable gratification that I rise to deliver this my third Budget speech. It has been a pleasure to note the steady improvement which has taken place in the prosperity of the country during the time the present Government has held office. Honourable members will recall that during the earlier stages of the past financial year the country had unexpectedly to meet two very heavy calls upon its finances. I refer to the smallpox epidemic, and to the industrial upheaval which blocked the avenues of commerce for a while, and as a natural consequence materially affected the finances of the country. The cost to the Treasury in stamping out the smallpox epidemic amounted to, roughly, £30,000, and the strike cost the country in direct payments approximately £93,000. The figures I have quoted, however, do not by any means represent the total loss which the Treasury suffered in connection with the misfortunes referred to, as both the Railways and Customs revenue were seriously affected by the smaller number of persons who travelled in the one case, and by the diminution in the volume of overseas trade in the other. Notwithstanding these serious drawbacks the revenue for the year showed wonderful buoyancy, and it is with great pleasure that I have to announce a surplus amounting to £426,905. It will not be exaggerating the position to say that better evidence of the recuperative powers of the Dominion has never been shown during its past history. When comparing the revenue and expenditure with that of previous years I would ask honourable members to bear in mind that a great proportion of the territorial revenue which formerly went to swell the Consolidated Fund now finds its way into the Land for Settlements Account under legislation which was passed by the present Government. As the year 1913-14 was the first year in which this change was brought into effect, it will be necessary for purposes of comparison to add to the surplus for 1913-14 a sum of £81,066, representing the amount of the territorial revenue which would in previous years have been credited to the Consolidated Fund. It must also be borne in mind that prior to the assumption of office by the present Government it was the custom to replace buildings destroyed by fire out of the Public Works Fund. This practice was stopped, and £10,000 has been set aside each year for the last two years out of ordinary revenue to build up a fire-insurance fund.

Further, the Government, in order to make the Public Service and Teachers' Superannuation Funds financially sound, has had to provide each year from ordinary revenue an additional amount of £35,000.