1916
NEW ZEALAND.

FINANCIAL STATEMENT

(In Committee of Supply, 16th June, 1916)

BY THE RIGHT HONOURABLE SIR JOSEPH WARD, BART., P.C., K.C.M.G., MINISTER OF FINANCE.

MR. MALCOLM,—

It is my pleasing duty to lay before honourable members a favourable statement concerning the finances of the Dominion for the year just concluded, and to be able to assure the House that, notwithstanding the disturbing influences of the war upon trade and commerce generally, the country's finances are in a very sound condition.

It was stated in last year's Budget that, in view of the anticipated fall in revenue and the increased burdens which would be cast on the Consolidated Fund by the necessity of providing for war pensions, interest and sinking fund on war loans, and other similar charges, a very considerable increase in taxation would be necessary, and, subsequently, legislation was introduced and passed by the House to enable the additional revenue to be raised. I am pleased to be able to inform the House that, owing to the freedom of the seas having been maintained between New Zealand and the Mother-land and other causes, there has been a very considerable revival of trade. The export from this country of meat and other farming produce has been continued at remunerative prices, and the producers of the Dominion have experienced a very favourable year. These circumstances have made it possible for the community to meet the extra taxation of last year without inconvenience, and I have thus been able not only to provide for the additional charges on the Consolidated Fund, but to show, in addition, a good surplus for the year, amounting to £2,166,077. Deducting from this surplus the sum of £149,047 carried forward from the previous year, there is left a net surplus of revenue actually received during the year of £2,017,030.

In announcing this large surplus I wish to remind the House and the country that the longer the war continues the greater will become our annual burdens, and that consequently the expenditure of the year just concluded must not be taken as the maximum of the expenditure of the current and succeeding years.

The payment for interest and sinking fund in respect of war loans will show a very considerable increase for this and succeeding years over the amount paid for last year. Two items alone will entail an additional expenditure this year of over one million sterling.