

ESTIMATES OF REVENUE AND EXPENDITURE FOR 1916-17.

The revenue for the year 1916-17, on the basis of the existing statutory limitations, is estimated as follows :—

	£
Customs	3,300,000
Railways	4,450,000
Stamp and Death Duties	1,470,000
Postal and Telegraph	1,750,000
Land and Income Tax	2,540,475
Beer Duty	195,000
Registration and other Fees	104,605
Marine	45,850
Miscellaneous	423,500
Territorial Revenue	211,000
Endowment Revenue	90,971
Other receipts	10,000
	<u>£14,591,401</u>

The following figures will show the ways and means of the Consolidated Fund for the year 1916-17, estimating the revenue on the foregoing basis :—

Balance forward from 1915-16, less investment (£2,000,000)	£ 166,077
Estimated revenue, 1916-17	14,591,401
	<u>14,757,478</u>
Estimated expenditure	14,390,626
Balance	<u>£366,852</u>

RESERVE.

Since the war began the deposits at call with the Post Office Savings-bank have increased very rapidly, and a considerable portion of these moneys has been invested in war debentures and other Government securities. In view of the possibility of heavy claims being made by the depositors when matters in Europe assume a more normal aspect, I established a reserve in London by investing, in Imperial Treasury bills, funds which are not wanted for immediate requirements. New Zealand has by this means assisted the Imperial Government, and has at the same time established a strong liquid reserve against possible sudden claims in the future.

WAR LOANS.

During the session of 1914 authority was granted by this House to enable £2,000,000 to be raised for war purposes, and during last session additional authority was granted for raising a sum not exceeding £10,000,000 for the same purposes, making a total of £12,000,000 in all. Of this total we had borrowed, up to the beginning of May, 1916, £9,850,000, leaving an unexhausted authority of £2,150,000.

The Imperial Government has advanced £8,500,000 of the £9,850,000 raised, and the balance, £1,350,000, has been found in New Zealand from Post Office investments.

Honourable members will recognize that our war expenditure must expand in proportion to the increased number of men we put in the field.

It will be seen that additional authority to borrow will have to be granted to enable the war expenditure of the future to be met, and I propose to ask the House for authority to borrow further amounts for war purposes to the extent of £12,000,000 for this year. With the unexhausted authority of £2,150,000, this