

ESTIMATED SURPLUS FOR THE CURRENT YEAR.

I estimate that there will be a surplus for the year 1917-18 of £1,200,098, made up as follows:—

Estimated revenue, 1917-18	..	..	£	17,282,800
Estimated expenditure	..	..	£15,382,702	
Estimate for supplementary estimates			700,000	
				16,082,702
Balance	..	..	..	£1,200,098

THE YEAR'S OPERATIONS.

For the convenience of honourable members I summarize the most important items relating to the financial operations for the past year:—

Successful flotation of £16,000,000 for war purposes. Of this sum, £11,000,000 subscribed within the Dominion; approximate cost, one-half of one per cent.

Investments in London increased to £7,000,000.

Redemptions and renewals effected amounting to £1,859,040.

Completion of conversion scheme by which £2,133,000 converted into long-dated securities.

Net surplus of the year's revenue, £4,308,777.

Public-works expenditure reduced to £1,278,922.

Income-tax receipts increased by £2,870,007.

Post Office Savings-bank deposits increased by £3,436,844.

Twenty-five settlements purchased for discharged soldiers, making a total area of 337,961 acres thrown open and available for settlement.

£62,421 authorized for soldier-settlers by way of financial assistance.

6,530 war pensions granted to 31st March, 1917, representing an annual value of £342,195.

Total payments to producers for supplies purchased on behalf of the Imperial Government, £27,819,116.

Record collection of Customs and excise revenue—over £4,000,000.

Short-dated securities to Imperial Government for war advances converted into long-dated securities.

Gross war expenditure to 30th June, 1917, £28,439,912.

PROPOSALS.

I also place in concise form the new proposals submitted to honourable members:—

Additional provision for remissions of rent to members of Expeditionary Forces and discharged soldiers on the land.

Increased borrowing-powers under the Discharged Soldiers Settlement Act, 1915.

Provide for borrowing an additional £24,000,000 for war purposes.

Provide for loan of £750,000 for public-works expenditure, including £250,000 for telegraph-extension.

Provide additional taxation on persons failing to subscribe to war loans according to means.

Provide £2,000,000 for employment of discharged soldiers.

Substitution of a progressive land-tax for ordinary and graduated taxes.

Abolition of excess-profits tax and increase of income-tax on a progressive scale.

Special war-tax to be levied on incomes at increased schedule rates.

Provision for inscribing loans in New Zealand.

Portion of loan to be available for payment of death duties.

Amusement-tax.

Continuation of war bonus to State employees.

Increased old-age, military, widows', and miners' pensions.

Additional allowances to soldiers' dependants.

Increase in Customs and excise duties.