

I propose that the balance of the accumulated surplus, £1,539,561, be carried forward either to strengthen the Consolidated Fund during the early months of the financial year when the revenue is insufficient to meet the expenditure, or to be available for investment in loans required for land-settlement for soldiers and authorized by the Discharged Soldiers Settlement Loans Act, 1919, or other purposes in connection with the war, should any difficulty present itself in raising money in New Zealand or elsewhere.

TAXATION.

It would have been a great pleasure to me to have been in a position to announce this year some reduction in the heavy burden of taxation; the estimates of revenue and expenditure, however, make it clear that this must be postponed, nor has there been time for me since I took over the portfolio of Finance to consider anomalies which may exist and make readjustments. I trust, however, that the time is not far distant when by the increase in population and a return to the more normal rate of expenditure some relief may be afforded to the taxpayers of the country.

ESTIMATES OF REVENUE, 1919-20.

When the draft Budget was placed in my hands on the 1st September last the estimated expenditure exceeded the estimated revenue by £934,000 with the supplementary estimates yet to come; Heads of Departments were asked to meet me, and as a result of their loyal co-operation I am pleased to report that the estimated expenditure was reduced by approximately £400,000. Provision for increased expenditure on account of the Education Department, which would have been postponed for the supplementary estimates but which is now included in the main estimates, reduced the £400,000 to £200,000.

As a result of experience of the revenue received during the five months of the financial year it is gratifying to note that the estimated revenue for the year will be larger than was at first anticipated.

For the year 1919-20, under the main heads of each of the important Departments, I estimate the revenue at—

	£
Customs	4,400,000
Railways	5,000,000
Stamp and death duties	2,460,000
Post and telegraph	1,910,000
Land and income tax	7,360,000
Beer duty	270,000
Registration and other fees	110,000
Amusement-tax	40,000
Marine	58,925
Miscellaneous	962,600
Territorial revenue	194,300
Endowment revenue	108,340
Other receipts	45,000
	£22,919,165