

The balance was held as follows :—

			£
Cash	..	..	1,113,219
Imprests outstanding ..	..	..	304,651
Investments	..	..	2,732,936
			£4,150,806

In accordance with section 22 of the Appropriation Act, 1923, an alteration has been made in the form of the public accounts as published. Formerly the credits in aid and in reduction were deducted from the expenditure, and the net figures published. For 1924–25, however, the gross figures are shown on the expenditure side and the credits in aid and in reduction are shown separately on the receipts side. This means that the expenditure figures published in B.–1 [Part I] are not comparable until the credits have been deducted from the figures for 1924–25, and attention to this is directed in each page of the published accounts. A comparative table of the net expenditure for the two years is attached to this statement. (See Table No. 6.)

Full particulars of the disposal of accumulated revenue will be found in Table No. 9 attached to this Statement. In terms of section 12 of the Bank of New Zealand Act 1920, the Government exercised its option to take up on 1st April last a further 375,000 £1 preference B shares, which will go to augment these investments. It is estimated that these accumulated revenue surpluses, as at 31st March, 1925, are worth £1,175,000 per annum to the Consolidated Fund, made up as follows :—

			£
Interest on investments	..	..	780,000
Saving on using money for capital purposes, Public Works, Loans Redemption, &c. ..	..	..	395,000
Total	..	..	£1,175,000

The results of the year's operations amply confirm the buoyancy of the revenue expected by the late Minister of Finance. It is, however, to some extent due to causes which may, if unchecked, react to the detriment of our present prosperity, by leading to over-importing and a disturbance in our trade balance which the recent fall in wool-prices will appreciably affect. We have in the last few years transferred large sums to the Public Works Fund and to other debt-saving purposes out of accumulated revenue, which is consequently much reduced. The use of revenue for capital purposes will for this reason be much restricted in future. Capital for further development will require to be met in larger proportions out of loan, and borrowing should be closely confined to interest-earning or directly productive purposes in order to avoid unduly increased debt charges to the taxpayer.

TREASURY BILLS.

Treasury bills in anticipation of revenue amounting to £600,000 were sold in London at $3\frac{1}{4}$ per cent. discount at the end of April, 1924. Treasury bills.

Further Treasury bills amounting to £500,000, issued in anticipation of revenue, were sold as follows : £250,000 in New Zealand, October, 1924, at $5\frac{1}{4}$ per cent., and £250,000 in London, January, 1925, at $3\frac{3}{4}$ per cent. discount. The whole of these £1,100,000 revenue bills, however, were redeemed with cash, there being no bills of this description outstanding at the close of the year.

The £500,000 bills issued during 1923–24 in anticipation of loan, and referred to in the last Budget, were paid off on the 30th June upon receipt of the loan-moneys.

Redemption bills amounting to £2,300,000 were outstanding as at the 31st March last, for which a corresponding amount of debt was redeemed on the issue of the bills.