

After allowing for the revenues accruing to the Main Highways, Electric Supply, and other Accounts, it is estimated that balances carried forward on 1st April last, together with amounts received for investment from the Post-office Savings-bank and other departmental sources, will be sufficient to provide all that is required for this programme, but so long as there are men or machines able to carry out the work, and the necessary materials are available, the Government will not allow any necessary job to be held up for want of money.

The Government's policy is to obtain the maximum utilization of the available production resources of the Dominion, and if the existing volume of credit is insufficient or not utilized to this end, further credit as required will be made available.

PUBLIC ACCOUNTS.

The generally prosperous condition of the Dominion throughout the year resulted in the revenue exceeding the estimates, while expenditure, it is satisfactory to note, shows a substantial saving compared with the relative appropriations.

The actual surplus for the year, as has already been publicly announced, was £472,000, compared with £281,800 for the previous year.

The public accounts having already been published, it is unnecessary for me again to review them in detail, while particulars of both revenue and expenditure, as compared with the Budget estimates and with the results of the previous financial year, are attached to this Statement.

The year's transactions may, however, be summarized as follows :—

SUMMARY OF THE YEAR'S OPERATIONS.

<i>Revenue.</i>				£	£
Taxation	..	..	..	26,941,000	
Interest	..	..	..	2,387,000	
Other receipts	..	..	..	1,819,000	
					31,147,000
<i>Expenditure.</i>				£	
Permanent appropriations—					
Debt services	..	..	9,380,000		
Exchange	..	..	1,581,000		
Highways	..	..	2,509,000		
Other services	..	..	618,000		
					14,088,000
Annual appropriations—					
Social services	..	..	9,913,000		
Other services	..	..	6,674,000		
					16,587,000
					30,675,000
Surplus	..	..	..	..	£472,000

It will be observed in comparing these results with those of former years that both revenue and expenditure are now on a higher level than previously. This is accounted for principally by the implementing of the Government's policy of extending the scope of State activities, the increased cost of social services, and the restorations of the "cuts" in salaries and wages of Government employees.

The practice of drastically reducing salaries and wages at the outset of a depression has been tried with results of which most of us have been made painfully aware. It is realized now that, apart from other considerations, a policy of deflation involves such widespread reduction in purchasing-power that