

Approximately £2,100,000 of this increase will go to the Consolidated Fund, and the balance of £300,000 to War Expenses Account. The benefit of practically the whole of this additional revenue from income-tax will indirectly go to war expenses through the transfer to that account of £1,950,000 death duties hitherto paid to the Consolidated Fund.

Silver coin profits.

In addition there is available for the Consolidated Fund £1,000,000 profits from the issue of our own silver coin. Reference was made to this item in last year's Budget but as it was not required then, it is still available.

The additional revenue thus available for the Consolidated Fund from income-tax and silver-coin profits amounts to £3,100,000, and as only £1,150,000 is required to balance the Budget it is proposed that all the revenue from death and gift duties including the £1,950,000 that would otherwise be credited to the Consolidated Fund under the heading of "Stamp and Death Duties" should go into the War Expenses Account. If this is done the budgetary position of the Consolidated Fund will be as follows:—

Consolidated Fund Estimates 1940-41.

				REVENUE.		£	£
Taxation—							
	Customs	..	..	..	..	7,500,000	
	Beer duty	..	..	..	..	1,380,000	
	Sales tax	..	..	..	..	3,000,000	
	Highways	..	..	..	..	2,600,000	
	Stamp duties	..	..	..	..	1,650,000	
	Land-tax	..	..	..	..	1,000,000	
	Income-tax	..	..	..	..	13,550,000	
	Miscellaneous	..	..	..	..	225,000	
						<hr/>	30,905,000
	Interest	..	..	..	..	2,800,000	
	Other Receipts	..	..	..	..	3,375,000	
						<hr/>	6,175,000
							<hr/>
							37,080,000
				EXPENDITURE.			
Permanent Appropriations—						£	
	Debt services	..	..	..	..	10,671,000	
	Exchange	..	..	..	..	1,500,000	
	Transfer of highways revenue					2,583,000	
	Other permanent appropriations					380,000	
						<hr/>	15,134,000
Annual votes—							
	Social services	..	..	..	..	11,834,000	
	Other services	..	..	..	..	9,816,000	
						<hr/>	21,650,000
	Supplementary estimates and contingencies	250,000	
						<hr/>	37,034,000
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	Leaving an estimated surplus of						£46,000
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Revised death and gift duties.

Reverting to the War Expenses Account, to augment the revenue it is proposed to introduce a new scale of death and gift duties designed to provide a further £750,000 per annum, or approximately £400,000 for the balance of this financial year. The new scales reduce the exemption from estate duty from £1,000 to £200 and from certain succession duties from £500 to £200. In Great Britain the exemption from estate duty is £100 and in some of the Australian States £200. The new maximum rates will be 50 per cent. for combined estate and succession duties in the case of estates of £70,000 and over devolving upon the widow and children, 55 per cent. when left to father, mother, brothers, sisters, nephews, aunts, and uncles and other blood relations within the fourth degree, and 60 per cent. when the successors are relatives outside the fourth