

can be regarded as a completed task. Apart from assistance to the actual personnel concerned, the absorption of these men and women in industry is contributing very substantially towards overcoming the labour shortage.

Immigration

It is clear that New Zealand can support economically a much larger population, and having in mind the existing manpower shortages in most of our local industries, the Government have set in train a comprehensive immigration policy.

The scheme is at present restricted to single people between the ages of 20 and 35, selected for employment in the more important industries and services, e.g., men for coalmining and sawmilling and girls for mental and general public hospitals and various types of essential factory employment. Preference is given to discharged Service personnel. Free passages are provided by the New Zealand Government to ex-servicemen and women, while civilians are required to contribute £10 each towards the cost of the fare.

It is anticipated that by the end of 1949 some 10,000 immigrants will have been brought to New Zealand under the scheme.

Financial Position

At a time when purchasing-power is excessive relative to the supply of available goods and services, it is important that the public finances should be kept on a sound basis. It is accordingly very satisfactory to record a surplus in the Consolidated Fund of £4,611,000 from the operations of last financial year. This surplus was realized after making the tax reductions outlined in last year's Budget, which comprised part of the national security tax, more than half of the war surcharge on income-tax, reductions in sales tax, gold duty, and primage duty, and the complete remission of the excess-profits tax and the social security registration fee. In addition, there was a reduction in income-tax revenue of £1,300,000, resulting from the increase in the wife's exemption from £50 to £100. For a full year these involved a loss of revenue exceeding £21,000,000 and for the year then under consideration a loss of £18,000,000. The sales-tax reductions referred to were in operation for only part of last financial year, but will be effective for the whole of the current year. Consequently, there will be an added £3,200,000 loss of revenue on that account this year. A further £8,600,000 loss of revenue is involved in the abolition of the remaining 6d. in the pound of the national security tax from April, 1947. The total annual value of all these taxation reductions is approximately £30,000,000.