

amounted to £19,000 less than the estimate, while interest on the Public Debt Redemption Fund fell short by £12,935, and on "other public moneys" by £60,870. The reason for the latter shortage was the low rate of interest received on temporary investments of cash.

All the miscellaneous items grouped under the heading of "other receipts" **Other receipts.** returned a net excess of £956,242 over the Budget estimate, but this large amount is due to a "windfall" item—profits on sale of gold by the Reserve Bank. These profits amounted to £1,364,000, but in the accounts they are offset to the extent of £300,000 by not drawing upon reserves as was allowed for in the Budget.

On the other side of the picture the net expenditure for the year amounted to **Expenditure.** £24,499,596, which is £260,739 in excess of the estimates for the year. It may be mentioned, however, that the item for the transfer of revenue to Highways Account was £225,465 above the estimate, due partly to the fact that highways revenue exceeded expectations and partly to the fact that the amount retained in the Consolidated Fund, approximately £322,000, was less than the amount of £500,000 which was allowed for in the Budget. Apart from this transfer item the net excess of expenditure over the estimate was £35,274, clearly indicating that the expenditure generally was kept closely in accord with the estimates.

Exchange-costs on remittances to meet requirements overseas proved to be **Exchange.** £154,159 above the estimate, but this was partly offset by a saving of £124,561 on the expenditure under departmental votes.

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

SUMMARY OF THE YEAR'S OPERATIONS.

				Summary of revenue and expenditure.	
<i>Revenue.</i>					
				£	£
Taxation .. .. .	..	..	..	20,177,607	
Interest .. .. .	..	..	..	2,930,245	
Other receipts .. .. .	..	..	..	3,018,242	
				26,126,094	
<i>Expenditure.</i>					
Permanent appropriations—					
Debt services .. .. .	..	..	..	9,780,628	
Exchange .. .. .	..	..	..	1,459,159	
Highways .. .. .	..	..	..	1,586,965	
Other services .. .. .	..	..	..	615,010	
Annual appropriations—					
Social services	7,144,736	
Other services	3,913,098	
				24,499,596	
Surplus	£1,626,498	
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As previously indicated, the large surplus shown is due to the profits from the sale of gold and the abnormal amount received from death duties, both being items of a non-recurring nature. The surplus is thus fortuitous and cannot be used as a basis for taxation-reductions or increases in expenditure during the current year. It was, nevertheless, welcome, as it provided the means of substantially reducing the accumulated deficits from the years 1931–32 and 1933–34. **Recovery of
Budget stability.**

Important aspects of last year's operations were the buoyancy of the revenue and the return to stable budgetary conditions. Contrast this position with that which existed two or three years ago, when the revenues were shrinking rapidly and everything was so uncertain that budgeting was almost impossible. In the 1930 Budget a decrease in revenue of £2,830,000 was allowed for, but the returns fell short of the estimate by £2,050,000, making a total shrinkage for the year of £4,880,000. The next year, 1931, provision was made for a further shrinkage of £4,810,000, but