

Other taxation.

As last year's receipts from land-tax were inflated somewhat by collection of arrears, I have allowed for a comparative reduction of £23,000 in this item. The yield from beer duty and gold-export duty should be much the same as last year, but I anticipate an increase of £10,000 in film-hire tax.

Stamp death duties.

As previously indicated, death duties paid during last financial year were abnormally high. On this account I have deemed it advisable to allow for a fall of £810,000 in the returns from stamp and death duties.

The increases that I have mentioned must thus be offset to this extent, leaving an estimated net increase in the revenue from taxation of £542,000.

Interest receipts.

In the aggregate, it is anticipated that interest receipts on the existing basis of operations would produce £196,000 less than was received last year. Interest on the Public Debt Redemption Fund is expected to show a decrease of £72,000, mostly due to the reduction in mortgage interest granted to State Advances mortgagors on transfer to the Mortgage Corporation. With a smaller volume of investments than was the case last year, interest on public moneys will show a decrease estimated at £146,000.

Other receipts.

Under "Other Receipts" the land revenues and departmental receipts are expected to be much the same, but the miscellaneous item last year included gold profits to the amount of £1,364,000. This year gold profits to the extent of £231,000 have been received. With the virtual completion in the change over to our own silver coin, £575,000 of profits from this source can be transferred to the Consolidated Fund. Chiefly on account of those items "Other Receipts" in total will show a net decrease of £610,000.

Total revenue.

The net result of all of the items I have reviewed is an estimated revenue for the year of £25,862,000, which is £265,000 less than was received during last financial year.

ESTIMATED EXPENDITURE.

Debt services.

On the other side of the account the estimates of expenditure show a net saving of £340,000 in debt charges. Interest paid on the Treasury bills for last year amounts to £397,000, whereas for the current year it is considered necessary to allow only £35,000. Against this, the reduction in interest granted to State Advances mortgagors on transfer to the Mortgage Corporation will mean a reduction in interest recoveries of £200,000. I may say that the total cost of this reduction for the balance of this financial year is estimated at £260,000, but, as previously indicated, £60,000 is reflected in the revenue estimates for interest on the Public Debt Redemption Fund.

Other savings in debt charges are £32,000 under the Repayment of the Public Debt Act due to the reduction in the debt last year, £82,000 in management charges, and £12,000 in payment of guaranteed loans.

Exchange.

For exchange there is an estimated increase of £177,000 due to the fact that last year the net expenditure was reduced by a special recovery arising out of the liquidation of accounts under the Banks Indemnity (Exchange) Act.

Highways.

Payments for highways purposes this year will exceed those for 1934-35 by £454,000. To the extent of £130,000, this is the counterpart of the estimated increase in highways revenue, while the balance is accounted for by the fact that last year £322,000 of these revenues were retained in the Consolidated Fund for general use. This year it is not proposed to retain any part of these revenues, but it is intended to repeat last year's provision for payment out of the Main Highways Account of a special 12½ per cent. subsidy on rural rates. Even so, the Highways Board will have at its disposal for this financial year additional funds to the amount of £445,000.

Other Special Acts.

An increase of £16,000 for "Other Special Acts" is due mostly to an increase in Endowment Revenue available for Education and Pensions.

Superannuation Funds.

I may mention that the expenditure grouped under this heading includes £200,000 for a special subsidy to the Government Superannuation Funds. An additional subsidy of a like amount was paid last year to enable current pensions to be paid without further depleting the existing capital of the funds. It has not been found possible to deal with the whole problem this year as was intended, so it is proposed to repeat the special subsidy to maintain the position of the funds until next year, when it is the intention of the Government to give the matter the serious consideration it warrants.