

26. PUBLIC FINANCE

To meet expenditure, revenue is raised in the Cook Islands themselves, and the principal items at present are receipts from stamp sales, Customs import duties, and income-tax paid by taxpayers resident in the Group. With the addition of two local duties, the New Zealand Customs Tariff applies, and for Customs purposes the Group is treated as if it were part of New Zealand. Income-tax, as in New Zealand, also applies, and is collected through the Land and Income Tax Department. Apart from income-tax which may be payable in some cases, there is no direct taxation of the Native community.

Subsidies to cover the deficit on ordinary working are granted annually by the New Zealand Government, and, in addition, in recent years special grants have been made for particular purposes, mainly of a capital or development nature.

There are no banking facilities in the Group.

A comparative statement showing revenue and expenditure and subsidies, &c. for the last five years is set out below :—

Year.	Revenue Obtained in the Territory.	Expenditure of the Territory.	Deficit.	Subsidies and Grants from New Zealand.	Final Surplus or Deficit.
	£	£	£	£	£
1943-44	40,818	59,798	18,980	27,000 General	+8,020
1944-45	40,228	120,239	80,011	27,000 General 48,992 Airfield 3,477 Sanatorium	
1945-46	49,337	93,017	43,680	27,000 General 16,669 Sanatorium	-542
1946-47	73,999	107,530	33,531	7,289 General 939 Scholarships 275 Milk in schools 1,971 Road maintenance 425 Pensions 1,713 New residences 2,601 New bridges 3,100 Sanatorium	-11
1947-48	78,773	147,106	68,333	57,469 General 515 Residences 5,131 New roads and bridges 2,797 Maintenance, roads and bridges 716 Milk in schools 9 Reef survey 918 Sanatorium 1,278 Emergency air and shipping calls to relieve distress or serious illness 1,357 Scholarships 682 Radio reconstruction 119 War pensions	-15,218
					+2,658

NOTE.—Advance of £27,814 for electric-power scheme is not included in 1947-48 figures.