

declined twenty-three, and granted remissions totalling £118,000. In all cases the Commission's recommendations were adopted by the Government. After allowing for the remissions, the additional tax received amounted to £240,000. Taxation Commission.

In problems of taxation, as in many other matters governed by arbitrary rates, absolute justice can never be completely attained, but the provision for appeal in the case of special land-tax at least prevented undue hardship being imposed on particular individuals.

Notwithstanding the large amount of remissions by the Commission, the data obtained from the income-tax returns of large farming incomes, also required by the legislation passed last session, clearly proved that the much-disputed contention contained in last year's Budget—that large farming incomes have not in recent years borne their fair share of taxation—was in accordance with the facts. This was proved by the fact that in 180 cases the income-tax on farming incomes exceeded the ordinary land-tax and special land-tax added together. The excess income-tax in these cases amounted to £47,500. This means that formerly some farming incomes were contributing less than half of their fair share of taxation, and clearly shows the equity of obtaining part of the additional revenue required for last year from this section of the community. The total increase in income-tax revenue due to the assessment of farming incomes amounted to £94,000, including the aforementioned sum of £47,500.

The principal decreases of revenue were in respect of stamp and death duties (£170,428)—the latter being obviously difficult to forecast—and interest on railway capital liability (£199,011). The decrease in interest-recoveries from the railways is due to the writing-off of £8,100,000 of railway capital. This reduction, however, was offset by a decrease in expenditure resulting from the cancellation of the subsidies previously paid on branch lines and isolated sections of railway, and an increase in the rate of interest payable from $4\frac{1}{8}$ per cent. to $4\frac{1}{4}$ per cent., the reason for which I will explain later. Revenue decreases.

EXPENDITURE.

The net expenditure of the Ordinary Revenue Account for the year totalled £25,200,882, compared with £24,176,928 for the previous financial year. The net increase of £1,023,954 is made up of £983,008 in permanent appropriations, and the balance of £40,946 in annual appropriations. The modest increase in the latter is evidence of the very successful efforts made by the Government to keep departmental expenditure down to a minimum. Expenditure under permanent appropriations consists of interest, debt-repayment charges, and payments under special Acts of the Legislature, whereas the annual appropriations cover the various departmental votes. Notwithstanding the fact that the estimates for these votes were most carefully overhauled last year, the close control maintained over expenditure resulted in the votes being underspent by approximately £218,000. Expenditure.

PERMANENT APPROPRIATIONS.

Briefly, the expenditure under permanent appropriations consisted of the following items:— Comparative increases.

	Expenditure, 1929-30. £	Increase over the previous Year. £
Interest and debt-repayment	10,697,242	586,501
Pensions and family allowances	2,749,898	92,364
Proceeds of petrol-tax and other earmarked revenues appropriated to Main Highways Account and local authorities	1,509,410	274,394
Subsidies to Hospital Boards and local authorities	952,144	62,390
Subsidies to Superannuation Funds and National Provident Fund	381,548	176,832
Other items under various special Acts ..	937,363	209,473*
Total	£17,227,605	£983,008

* Decrease.