

## SUMMARY OF THE PROSPECTIVE POSITION.

From the foregoing it is clear that unless far-reaching adjustments are made to increase the revenue and decrease expenditure the results for 1932-33 will show a much more serious deficit than for the year just finished. This can be seen from a tabulation of the estimates set forth above as follows —

Estimated revenue for 1931-32 .. .. .	£	22,600,000
Deduct forecasted decreases for 1932-33, as follows:—	£	
Customs .. .. .	900,000	
Income-tax .. .. .	900,000	
Land-tax .. .. .	40,000	
Motor-vehicles—Duties and licenses ..	210,000	
Stamp and death duties .. .. .	290,000	
Railway interest .. .. .	200,000	
Other interest .. .. .	200,000	
Post and Telegraph profits .. .. .	590,000	
Reserves .. .. .	1,290,000	
Other items (net) .. .. .	160,000	
	<hr/>	4,780,000
Estimated revenue for 1932-33 .. .. .		<hr/> £17,820,000 <hr/>
Estimated expenditure for 1931-32 .. .. .	£	25,120,000
But this expenditure would in the ordinary course be increased as follows for 1932-33:—	£	
Debt charges .. .. .	500,000	
Unemployment subsidies .. .. .	350,000	
Pensions .. .. .	100,000	
Subsidies to local authorities .. .. .	125,000	
Hospital subsidies .. .. .	55,000	
Exchange .. .. .	130,000	
	<hr/>	1,260,000
Less savings—	£	
Motor-taxation .. .. .	210,000	
Other items .. .. .	50,000	
	<hr/>	260,000
		<hr/> 1,000,000 <hr/>
Estimated expenditure for 1932-33 .. .. .		<hr/> £26,120,000 <hr/>
Prospective result for 1932-33—	£	
Expenditure .. .. .	26,120,000	
Revenue .. .. .	17,820,000	
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Shortage .. .. .	£8,300,000	

Honourable members will, I think, agree that the prospective budgetary position is a very serious one, especially when it is remembered that taxation was greatly increased, reserves heavily drawn upon, and resources generally strained in the effort to balance last year's Budget. To meet a shortage of much the same magnitude this financial year is a much more formidable problem, and, having regard to the limited taxable capacity that remains, the fact must be faced that the bridging of the gap in the finances must be largely accomplished by means of reductions in expenditure. Millions, however, cannot be saved without very drastic economies, involving serious curtailment, or, in some cases, even the abolition of various grants,