

**Motor-vehicles :
Duties, &c.**

The economic conditions are also adversely affecting the revenue item of "Motor-vehicles—Duties and licenses." There is a falling-off in the registration of vehicles, and this, of course, must be reflected in a lower petrol-consumption. It is estimated that the revenue will show a falling-off of approximately £200,000.

**Stamp and death
duties.**

Stamp and death duties appear to be relatively stable at the lower level reached last year, but it has been deemed advisable to allow for further decreases in racing revenue, amusement-tax, and duty on instruments. On the other hand, allowance has to be made for the receipts from the 10-per-cent. stamp duty on interest from Government securities imposed by the National Expenditure Adjustment Act. Incidentally, it may be mentioned that this latter item will not be a net gain to the Budget, as it is offset by reductions in mortgage interest, particularly on State Advances securities. Taking all factors into consideration, the estimate for stamp and death duties has been set down at £2,900,000, which is approximately £100,000 ahead of last year's receipts.

**Land and income
tax.**

Then there is income-tax, which under present circumstances is admittedly the most uncertain item in the Budget. This year's tax is assessed on last year's income. It is well known that in many cases profits have fallen away to zero, and, as the assessments have not yet been made and compiled, it is very difficult to estimate the effect in the aggregate on the amount of tax due. On such information as is available, I have set the estimate down at £3,400,000 for this year. This is approximately £1,050,000 less than the receipts for last financial year. Land-tax due can be calculated with much more precision, although the position is to some extent complicated by subdivisions and revaluations. The main uncertain element, however, is the ability of landowners to pay. Last year's receipts, assessed on the lower rates of tax provided for, were £83,000 short of the Budget estimate, and for this year it is deemed advisable to allow for a further decrease of £27,000.

Interest receipts.

Apart from taxation, there is a considerable amount of revenue derived from interest and other receipts. Under interest the most difficult item is interest on railway capital. This item represents the net earnings of the railways. As previously pointed out, railway revenue directly reflects the depressed state of trade and industry, and has been falling steadily, although the rate of decline is now easing off. To a considerable extent the decline has been offset by savings in expenditure, but, if the services are to be maintained, there is a minimum beyond which expenditure cannot be reduced. The reductions in salaries and wages assisted the finances of the Railway Board considerably. Allowing for this and other relevant factors, it is considered that the net revenue for this financial year will not be more than £100,000 below that of last year.

Other interest items will probably be adversely affected to an extent estimated at £220,000. In this connection it may be mentioned that interest on the Public Debt Redemption Fund will suffer as a result of the reduction in interest-rates of the Common Fund of the Public Trust Office, following the reduction in mortgage interest under the provisions of the National Expenditure Adjustment Act and relief given to mortgagors. Interest on public moneys will also be less, due to the fact that balances available for investment are smaller and rates of interest in London are low.

Other receipts.

The land revenues, departmental receipts, and other miscellaneous items grouped in the accounts under "Other Receipts" produced last year, apart from the amount drawn from reserves, revenue totalling approximately £2,167,000. Of this amount £940,000 came from Post and Telegraph profits. For the current financial year the estimate for this item has been set down at half this amount—viz., £470,000. The estimates for the other items in this group have been varied somewhat on account of the closing of some of the separate accounts. The net result is an aggregate estimate which is £387,000 less than receipts for last financial year.

Use of reserves.

The remaining item on the revenue side of the accounts is the amount drawn from reserves. Last year £1,495,000 was derived from this source, and in the preliminary Financial Statement it was estimated that only about £200,000 derived from repayment of discharged-soldier-settlement mortgages would be available this financial year. Honourable members will recollect, however, that arrangements were made with the Bank of New Zealand, with the National Bank of New Zealand participating in the deal, to liquidate up to £2,500,000 of the reserves invested in discharged-soldiers-settlement mortgages by hypothecating the securities. The