

SECTION VIII.—EXCHANGE AND ECONOMIC ADJUSTMENT—*continued.**(B) Consideration of the Restoration of the Gold Standard.*

| Para.      |                                             | Page |
|------------|---------------------------------------------|------|
| 64.        | Exchange and National Income .. .. .        | 20   |
| 65.        | Alternative Exchange Policies .. .. .       | 20   |
| 66-72. (i) | Return to Parity with Gold .. .. .          | 20   |
| 68.        | Effects of Deflation .. .. .                | 20   |
| 69.        | Balance of Payments .. .. .                 | 21   |
| 70.        | Effects on the Budget .. .. .               | 21   |
| 71.        | National Income at Parity with Gold .. .. . | 21   |
| 72.        | Conclusion .. .. .                          | 22   |

*(C) Consideration of the Present 10-per-cent. Rate.*

|          |                                                                       |    |
|----------|-----------------------------------------------------------------------|----|
| 73. (ii) | Maintenance of Present Position : 10 per Cent. above Sterling .. .. . | 22 |
|----------|-----------------------------------------------------------------------|----|

*(D) Consideration of the Effects of a High Rate—say, 40 per Cent.*

|           |                                                      |    |
|-----------|------------------------------------------------------|----|
| 74. (iii) | A High Premium— <i>e.g.</i> , 40 per Cent. .. .. .   | 22 |
| 75.       | Adjustment of Export Prices and Costs .. .. .        | 23 |
| 76.       | Additional Costs of Imports .. .. .                  | 23 |
| 77.       | Effects on Costs .. .. .                             | 23 |
| 78.       | Effects on Security Values .. .. .                   | 24 |
| 79-80.    | Effect on National Credit .. .. .                    | 24 |
| 81-82.    | Alternative : Primage Duty and Export Bounty .. .. . | 24 |

## SECTION IX.—THE FUTURE OF NEW ZEALAND CURRENCY.

|     |                                           |    |
|-----|-------------------------------------------|----|
| 83. | The Legal Basis of Currency .. .. .       | 25 |
| 84. | Future Legal Basis .. .. .                | 25 |
| 85. | Factors determining Exchange Rate .. .. . | 25 |
| 86. | Temporary Stability .. .. .               | 25 |
| 87. | Stabilizing the Rate .. .. .              | 26 |

## SECTION X.—FIXED CHARGES : INTEREST AND RENT.

|        |                                           |    |
|--------|-------------------------------------------|----|
| 88.    | Fixed Charges and Price-movements .. .. . | 26 |
| 89.    | Fixed Charges and National Income .. .. . | 26 |
| 90.    | Increasing Burden of Debt Charges .. .. . | 26 |
| 91.    | Real Income from Fixed Charges .. .. .    | 26 |
| 92-93. | Extension of Mortgages Relief Act .. .. . | 27 |
| 94.    | External Interests .. .. .                | 27 |
| 95.    | Rents .. .. .                             | 27 |
| 96.    | Contract .. .. .                          | 27 |
| 97.    | The Rate of Reduction .. .. .             | 27 |

## SECTION XI.—THE REVISION OF WAGES.

|      |                                                      |    |
|------|------------------------------------------------------|----|
| 98.  | Fall in Real Income .. .. .                          | 28 |
| 99.  | Fall in Wages .. .. .                                | 28 |
| 100. | Wages and Spending-power .. .. .                     | 28 |
| 101. | Restriction in Respect of Working-conditions .. .. . | 28 |
| 102. | Restatement of Reason for Fall in Wages .. .. .      | 28 |

## SECTION XII.—BALANCING THE BUDGET.

|              |                                                                    |           |
|--------------|--------------------------------------------------------------------|-----------|
| 103 and 118. | The Deficit .. .. .                                                | 28 and 31 |
| 104.         | Adjustable Expenditure .. .. .                                     | 29        |
| 105.         | Non-adjustable Expenditure .. .. .                                 | 29        |
| 106.         | Exchange .. .. .                                                   | 29        |
| 107.         | Interest .. .. .                                                   | 29        |
| 108.         | Special Stamp Duty on Interest .. .. .                             | 29        |
| 109.         | Effects of such Taxation .. .. .                                   | 30        |
| 110.         | Special Income-tax on Investment Interest .. .. .                  | 30        |
| 111.         | Voluntary Conversion Loan .. .. .                                  | 30        |
| 112.         | Effects of Voluntary Conversion and Relation to Maturities .. .. . | 30        |
| 113.         | Net Effects of Economies .. .. .                                   | 30        |
| 114.         | Increase in the Revenue .. .. .                                    | 30        |
| 115.         | Special Sales-tax .. .. .                                          | 30        |
| 116.         | Other Revenue .. .. .                                              | 30        |
| 117.         | Benefit from Economies and New Revenue .. .. .                     | 30        |
| 119.         | Urgency of the Problem of Balancing .. .. .                        | 31        |

## SECTION XIII.—LOCAL-BODY FINANCE.

|          |                                        |    |
|----------|----------------------------------------|----|
| 120.     | Basis of Local-body Revenue .. .. .    | 31 |
| 121-122. | Revenue and Expenditure .. .. .        | 31 |
| 123.     | Adjustable Expenditure .. .. .         | 31 |
| 124.     | Interest Adjustment .. .. .            | 31 |
| 125.     | Varying Incidence of Proposals .. .. . | 32 |
| 126.     | Review of Local-body Finance .. .. .   | 32 |