

from the United Kingdom. These two items account for the main increase in expenditure. Most of the other items of expenditure followed the Budget estimate fairly closely except for the Armed Services votes which were under expended by £790,000 in respect of construction works and purchase of technical equipment.

A surplus of £1,786,000 resulted from the year's transactions of the Consolidated Fund, and this amount has been transferred to War Expenses Account under the authority of the War Expenses Act, 1939. It is estimated that with this and funds available from the sale of war assets, &c., there will be sufficient in the War Expenses Account to meet commitments for maintaining our J Force in Japan and for certain rehabilitation costs without recourse to borrowing.

Estimates for 1948-49

Total revenue of the Consolidated Fund for 1948-49 is estimated at £114,867,000, and expenditure at £113,573,000, leaving a balance of £1,294,000 for the Supplementary Estimates.

Receipts

Taxation revenue for 1948-49 is estimated at £96,345,000, compared with the amount of £96,099,000 received for the previous year. The revenue from Customs is expected to be less than last year by over £2,000,000, due partly to the concessions, estimated to cost £1,000,000, under the General Agreement on Tariffs and Trade, and partly to the diversion of imports from foreign sources. Last year a relatively large proportion of our imports was from foreign countries, and consequently paid duty at higher rates.

The estimate of income-tax to be received in 1948-49 in respect of income derived in 1947-48 is £39,000,000. In addition, arrears of tax uncollected are estimated at £3,300,000. The non-collection of this sum is largely due to shortage of staff at Wellington and Hamilton, which has delayed assessments. It is estimated that the collection of arrears during the current year will amount to £1,800,000, bringing the total receipts to £40,800,000, leaving arrears totalling £1,500,000 for collection in the next financial year.