The recent marked downward trend of these figures will be noticed. No doubt that trend had relation to the considerable increase in imports and expansion of manufacturing and other production within the Dominion. The indications are for some improvement in small savings, and with greater popular support, that improvement will be maintained and expanded. In this connection the figures quoted in Table No. 9 appended to this Budget are interesting as showing what was achieved through National Savings alone during the war period. Though a slight recession is evidenced in the post-war period the figures are still at a very high level, and a continuance of this aspect of saving will materially help not only the national economy but also every individual investor.

Taxation Adjustments

I come now to the question of what alterations of taxation might reasonably be made in respect of this financial year. The importance of saving at the present time cannot be emphasized too often and a case could readily be made for maintaining taxation with a view to creating an appreciable surplus.

It is the Government's opinion, however, that if the current need for saving is explained the people will respond adequately, and that the prolonged financial strain of the war calls for some equitable addition to the relief already provided since the cessation of hostilities. It will be recalled that during the present session of Parliament the General Agreement on Tariffs and Trade, as drafted at Geneva, was approved, and that this will result in a reduction of approximately £1,000,000 annually in the cost of incoming goods and thereby benefit consumers generally.

It is also proposed to make the following adjustments in taxation during the financial year:—

Gold Duty

To encourage the production of gold and to maintain existing undertakings the present gold duty of 12s. 6d. per ounce will be removed.

The cost of this remission for a full year is estimated to be £65,000.

It is also proposed to make provision under the Emergency Regulations for the purchase by the Reserve Bank of New Zealand of all gold produced in the Dominion.

Motor-omnibus Sales Tax

To meet in general the representations of local authorities who in many cases are expanding their transport systems with trolley and passenger buses it is proposed to reduce the sales tax on motor-omnibus chassis from the present rate of 20 per cent. to a rate of 10 per cent.

The remission will cost in a full year the estimated sum of £125,000.