

The only bank operating in the Territory is a branch of the Bank of New Zealand. At 31st March, 1948, Savings-bank deposits were £317,356; deposits standing to clients' credit in the Bank of New Zealand averaged, over the twelve-monthly period, £304,772. The Bank of New Zealand pays no interest on current account balances, but the Savings-bank allows interest at $2\frac{1}{2}$ per cent. on credits up to £500 and 2 per cent. over that sum up to £2,000. The overdraft rate for good accounts in the Bank is slightly in advance of the rate prevailing in New Zealand.

The transfer of currency abroad is controlled by the Finance Emergency Regulations and transfers for legitimate requirements are freely approved. The provision of foreign currency to pay for imports is controlled by import licences, which themselves constitute exchange authorities.

Taxation

The following table shows net collections of revenue under various Treasury and Customs headings in comparison with the previous year:—

—						1946-47.	1947-48.
						£	£
Amount collected ..	..	..	..	..	..	264,927	475,659
Increase ..	..	..	..	..	..	34,652	210,732

Direct Taxes

The principal direct taxes payable in the Territory are a graduated salary and store tax, a building-tax, and water rates.

A comparative statement of the principal direct taxes is shown below:—

—						1946-47.	1947-48.
						£	£
Store-tax ..	..	..	..	..	..	31,862	42,761
Salary-tax ..	..	..	..	..	..	2,988	2,871
Building-tax ..	..	..	..	..	..	2,874	3,210
Water rates ..	..	..	..	..	..	1,230	1,390

Up to the present time the budget for the fiscal year has been prepared immediately after 31st March by the administrative officers, examined in detail by a Finance Committee of the Legislative Council, reviewed by the Council, and then submitted to the Minister of Island Territories for approval. The Minister's approval constituted the authority for expenditure of the moneys budgeted for. It has been necessary to set up new machinery for the preparation, approval, and implementation of the budget, consequent on the revision of the Constitution, and this was to have been done by the Legislative Assembly at its first session in June and July, 1948.

The annual and total amounts of advances and subsidies by the New Zealand Government are shown in the statements above. Current grants have been made outright and their purposes are shown.