

The appreciation in currency meant a saving to the whole community of £21,000,000 on these imports. It will also be appreciated that the alteration in the exchange-rate has had an important effect in reducing the prices payable for imported industrial plant and machinery. This should assist our industries, as well as keeping down the cost of production in New Zealand. The Government and local authorities have also benefited through the lower charges for interest.

The Government's policies of stabilization and price-control have played, and will continue to play, a vital role in ensuring that the benefits of the exchange reduction are passed on to consumers and producers, and in regulating costs and prices generally.

CONSOLIDATED FUND

Having reviewed the setting in which our public finances operate, I now deal with these for the past year and give an outline of the prospects for the current year.

The sound position of the public accounts for 1948-49, which have already been tabled in the House, is shown by the surplus of £2,631,000, which will be retained in the Consolidated Fund as part of the working balance. While the revenue from income-tax was in excess of the original estimate, the revenue from Customs and sales-tax did not reach the amount anticipated. Other sources of taxation showed minor variations from the estimates.

The work of the Land and Income Tax Department in the Wellington and Hamilton districts, which had been in arrears, was during the year brought substantially up to date. This, together with improvement in the staff position, which enabled more attention to be given to the collection of overdue tax, resulted in the collection of increased amounts in the districts mentioned, and also in the sum collected for tax arrears.

On the expenditure side, excluding special transfers of £4,000,000 to the Loans Redemptions Account (representing the non-recurring tax receipts) and £2,000,000 to the War Expenses Account, the final figures generally were close to the estimates.

Estimates for 1949-50

The estimated revenue of the Consolidated Fund for the current year is £121,397,000, and the estimated expenditure is £120,720,000. The balance of £677,000 will be required for the supplementary estimates and for contingencies.