

a close connection between idle capital and idle men. The march of science is bringing many changes into our everyday life, and the rapid developments in the post-war years have perhaps temporarily disturbed the economic equilibrium of the Dominion. Want of confidence in rural investments, now happily passing, together with high interest rates, has also contributed in no small measure to the present economic situation. The Government is endeavouring to give the country a strong lead in meeting these difficulties, but of course cannot carry the whole burden. Given a little enterprise on the part of the producers and the business community generally—and they have not been lacking in this respect in the past—I feel assured that all obstacles will be overcome; unemployment will disappear, and all will be well in this Dominion. It has certainly been slow in coming, but signs are not wanting now that we are on the eve of a big forward movement in business.

REVENUE.

Revenue. Details of the year's accounts of the Ordinary Revenue Account of the Consolidated Fund will be found in the published accounts, and are summarized in the comparative tables attached to this statement. The revenue for the year amounted to £23,599,676, of which £17,836,234 was derived from taxation and the balance of £5,763,442 from interest earnings and sundry revenues and recoveries from various State activities. The revenue from taxation includes £1,243,577 on account of petrol-tax, motor license fees, &c., which are specially earmarked for highways purposes, so that the revenue from taxation for general purposes amounted to £16,592,657.

In total the revenue is not comparable with that received in 1927–28, as last year the total revenue and expenditure of the Post Office were not comprised in the Consolidated Fund, which included only interest on capital as an item of revenue. Another complication from the point of view of comparison arises from the fact that the petrol-tax operated for only part of 1927–28.

Apart from Post Office receipts and motor taxation, last year's revenue represented an increase of £496,497 over that of the previous year. Complete details will be found in Table No. 3 attached hereto. There it will be seen that most of the increase was in the interest receipts, and that the taxation items showed relatively little increase over the previous year.

Taxation receipts. In fact, this lack of buoyancy in the revenue from taxation for general purposes was the principal cause of the deficit, in that the former Minister of Finance had anticipated an increase of approximately £426,000, whereas the results showed an increase of only £108,000. The mainstay of the revenue—Customs duties—showed an increase of £11,663 over the previous year, but fell short of the estimate by £306,748, mostly due, I find, to a marked decline in the duty collected on spirits. Beer duty, however, was well maintained, and slightly exceeded the estimate for the year.

Direct taxation. Coming next to direct taxation, this also proved disappointing for the most part. The income-tax receipts for 1927–28 were exceeded last year by a relatively small margin of £37,148, but the results for 1928–29 were short of the estimate by £89,123. This, of course, is a reflex of the tardy recovery of the trading position, to which I have already made passing reference.

Land-tax. As regards land-tax, this was not only a little short of the estimate, but £14,155 less than was received for the previous financial year, 1927–28. I find that there has been a steady shrinkage in land-tax over the last few years, due to the subdivision of estates and the adjustment of country valuations consequent upon the decline in some of the inflated land-values to a more economic level. Subdivision of estates is in the true interests of the Dominion, and the Government will not complain of loss of revenue from this cause.

Stamp and death duties. Stamp and death duties were estimated to produce last year practically the same amount as was received for the previous year. The results, however, showed an increase of £71,353 over the total for 1927–28. Death duties contributed £17,457 and gift duty £27,686 towards this increase, while adhesive and impressed stamps produced £49,111 more than for the previous year. These increases, however, were partly offset by a fall of £26,711 in totalizator revenue.

Revenue other than taxation. The revenues other than from taxation, amounting to £5,763,442, fell short of expectations by an amount of £46,808.