of children under eighteen years of age shall be apportionable over the twelve months in cases where a child is born or attains the age-limit for exemption during the income-tax year. At present, if a child is born on the 31st March, the full exemption is allowed, and if a child dies or attains the age of eighteen on 30th March the exemption for that year is lost.

Additional revenue from taxation proposals.

The available data in connection with farming incomes is meagre, as income-tax returns have not been made by farmers since 1923. Moreover, the effect of the steeper land-tax as a set-off against income-tax cannot be readily arrived at. For these reasons it is difficult to estimate how much additional revenue will be derived from the proposals. The matter is further complicated by some uncertainty as to the extent of the increase in imports that will result from the present large favourable balance of trade. The direct cause of the deficit last year was the failure of the revenue from taxation to come up to expectations, and I want to ensure that the same thing does not happen this year. However, after careful consideration of all the circumstances, I am of opinion that the new proposals should produce the additional revenue required.

1929-30.

1929-30.

Estimates carefully reviewed.

Before having recourse to additional taxation, I can assure honourable members that the estimates of expenditure for the current year have been most carefully overhauled with a view to reducing them to a minimum consistent with the maintenance of the existing services. Increased debt-charges and other rigid items call for an increase under permanent appropriations of approximately £700,000, but under annual votes the reductions I have effected have kept the increase over last year's expenditure down to £30,000. At the same time the items of revenue, apart from taxation, were also scrutinized with a view to seeing that all legitimate recoveries and departmental receipts will be brought to account.

Additional taxation on State trading departments.

In this connection I may say that in order to place the State trading departments on a basis more comparable with outside organizations, I have decided that in future the State Fire Insurance Office and the Public Trust Office shall be called upon to pay land-tax. In addition, as the Post and Telegraph accounts have been separated from the Consolidated Fund and placed upon a commercial basis, it is proposed that this Department shall, in future, be charged with Customs duty on its imports.

Interest recoveries.

In reviewing the interest recoveries from the various separate accounts I find that the Main Highways Account is paying no interest on a portion of the capital borrowed for construction purposes. This I propose to adjust.

Other receipts.

Then there is due to the Consolidated Fund some accumulated interest on enemy-property moneys, which can be paid in this year, and also certain unclaimed moneys in the hands of the Public Trustee. It was the practice to pay such unclaimed moneys into the Consolidated Fund, but latterly the receipts have been held up owing to a technical defect in the Public Revenues Act, which will be remedied.

Estimate of revenue.

The net result is that I estimate the revenue for the year as follows:—

	£
Customs	8,400,000
Beer duty	600,000
Motor-vehicles—Duties, licenses, &c.	1,442,000
Stamp and death duties	3,614,000
Land-tax	1,493,000
Income-tax	3,400,000
Interest on public moneys	820,000
Interest on capital liability—	
Railways	2,450,000
Postal and Telegraph	480,000
Interest on Public Debt Redemption Fund	995,000
Other receipts	1,478,000
	£25,172,000

The above total includes £1,442,000 to be received on account of "Motor-vehicles—Duties, licenses, &c.," but this is earmarked for specific purposes, and is not available to meet general expenditure.