the number of allowances paid had declined to 9,515, whilst the income limit had been increased to £4 per week with 2s. for each child in excess of two. Thus in 1936–37 the number of families with more than two children receiving £4 per week or less had declined by nearly three thousand as compared with the number receiving £3 5s. two years ago.

Now let us examine the position in general. The Government have restored wages and salaries, increased pensions, provided better facilities for the promotion of health and extension of education. The extra cost is £8,500,000 and this comes out of an aggregate of private incomes which last year's statistics show to have increased by at least £20,000,000. So that whilst £8,500,000 has been used to extend production and promote some increase in our living standards the people who have paid the extra money are left with £11,500,000 more than before the readjustments were made.

REVENUE.

The estimates of revenue for the current financial year reflect an improvement in economic and social conditions.

Summary of revenue. Customs duties, the principal individual heading of revenue, are estimated to return a total of £10,500,000. This represents a little over £1,000,000 increase compared with the actual receipts for last year. Admittedly this is a particularly difficult item to estimate, depending as it does to a large extent upon the vagaries of fashion and the actual date on which dutiable goods are cleared through Customs. On this occasion, being so far advanced into the financial year, we have the advantage of particulars of imports and of revenue to the 31st August as a guide, and, based on this information, £10,500,000 is a reasonable estimate.

Income-tax revision. Income-tax, the second largest revenue heading, is estimated at £7,500,000, compared with actual receipts of £6,619,000 for the previous year. This tax is assessed on the taxable income earned during last year, and the estimate has been computed largely on the basis of the returns now to hand. Taxable income was undoubtedly higher last year than in the previous year, and £881,000 represents the estimated amount of the additional revenue from this source. Since the beginning of the year an expert departmental Committee has been reviewing the incidence, principles, and administration of land and income taxation with a view to recommending means of correcting existing anomalies and of closing loopholes whereby payment of tax is being avoided. Legislation will be introduced later in the session to give effect to the land and income taxation policy of the Government.

Sales tax. Sales tax is estimated at a total of £3,650,000, an increase of £605,000, or 20 per cent., compared with last year's receipts. This item has shown a steady annual increase since its inception in 1932–33, and is now one of the major items of revenue.

Highways revenue. Highways revenue, to which reference has already been made, is offset by an equivalent amount of expenditure. The generally prosperous conditions, together with the increase in the number of motor registrations which has taken place, will, it is anticipated, result in a substantial increase in petrol-consumption. Under the circumstances, the estimate for the current year has been shown as £3,058,000, compared with receipts totalling £2,503,000 for last year.

Stamp and death duties. Stamp and death duties consist principally of death duties, which by their very nature are difficult to estimate with any degree of accuracy. Based, however, on the actual receipts for last year, and allowing for the improvement in values which has taken place recently, an increase of £287,000 has been provided for, thus bringing the estimate to a total of £3,450,000 for the current year.

Land-tax. Land-tax will be assessed on the same basis as last year, but provision will be made for relief of proved hardship. The power of the Commissioner of Taxes in this connection is to be extended, and the necessary amending legislation will be introduced. The revenue for the current year has been estimated at £1,000,000, compared with actual receipts of £1,048,000 during last year.

The remaining items of taxation call for no special comment, except that in total they represent an increase compared with the receipts for last financial year.

Interest receipts. Interest receipts consist in the recoupment of interest from various State accounts, principally the Railways and the Post and Telegraph Department. The reduction of £102,000 compared with last year is due to a fall in the estimated net receipts from the railways. This in turn is due to increased expenditure consequent