

In so far as the finances of the Consolidated Fund for the present year are concerned it is anticipated that there will be a substantial fall in revenue from Customs, sales tax, and, for obvious reasons, from the petrol tax—a total reduction of £3,000,000 being allowed for. As regards expenditure, the estimates are being compiled on the basis of balancing the Budget within the reduced revenue available. Debt charges, however, will require an increased provision of £1,700,000, but savings in exchange charges (£800,000), highways expenditure (£400,000), and annual votes (£2,000,000) will more than offset this increase even after £700,000 has been allowed for an increased cost-of-living bonus to State employees. Thus on balance the anticipated reduction of £3,000,000 in revenue is, after allowing for the 1941-42 surplus of £1,500,000, offset by net reductions of £1,500,000 in the expenditure.

The Consolidated Fund Budget for this year may be summarized approximately as follows:—

**Consolidated  
Fund Budget,  
1942-43.**

| REVENUE.   |    |    |    | £          | £           |
|--|----|----|----|------------|-------------|
| Taxation—  |    |    |    |            |             |
| Customs  | .. | .. | .. | 6,700,000  |             |
| Beer duty  | .. | .. | .. | 1,500,000  |             |
| Sales tax  | .. | .. | .. | 3,200,000  |             |
| Highways   | .. | .. | .. | 1,800,000  |             |
| Stamp duties                                     | .. | .. | .. | 1,600,000  |             |
| Land-tax   | .. | .. | .. | 1,000,000  |             |
| Income-tax (including excess profits tax)        | .. | .. | .. | 16,500,000 |             |
| Miscellaneous                                    | .. | .. | .. | 210,000    |             |
|  |    |    |    | <hr/>      | 32,510,000  |
| Interest recoveries from trading activities, &c. |    |    |    | 3,226,000  |             |
| Other receipts                                   |    |    |    | 2,450,000  |             |
|  |    |    |    | <hr/>      | 5,676,000   |
|  |    |    |    |            | <hr/> <hr/> |
|  |    |    |    |            | £38,186,000 |

| EXPENDITURE.  |  |  |  | £          |             |
|---|--|--|--|------------|-------------|
| Permanent appropriations (including transfer of £1,500,000 to War Expenses Account) |  |  |  | 18,200,000 |             |
| Annual votes  |  |  |  | 19,726,000 |             |
|   |  |  |  | <hr/>      |             |
|   |  |  |  | 37,926,000 |             |
| Supplementary Estimates and contingencies   |  |  |  | 260,000    |             |
|   |  |  |  | <hr/>      | £38,186,000 |
|   |  |  |  |            | <hr/> <hr/> |

**Social Security  
Fund:  
Estimate for  
1942-43.**

**Cost-of-living  
bonus.**

For the Social Security Fund the revenue is estimated to be much the same as for last financial year, in total about £14,500,000, including for each year a transfer of £3,600,000 from the Consolidated Fund. Expenditure, on the other hand, is estimated to show an increase of £2,400,000, mainly on account of hospital and medical services and provision for a 5-per-cent. cost-of-living bonus on age, widows', invalids', miners', orphans', and Maori war benefits, and also on war veterans' allowances. An equivalent bonus will be given to economic pensioners. The estimated cost of these bonuses which will date from 1st May, is £550,000 per annum. The balance in the account at 31st March last was approximately £3,000,000, so this additional expenditure can be met out of the present reserves of the account.

**Increased  
domestic  
allowance.**

As a cost-of-living bonus it is also proposed to increase the domestic allowance payable to wives of all men in the armed forces with one or more children. This allowance at the rate of 1s. a day was granted last year to