

1942.

NEW ZEALAND.

# FINANCIAL STATEMENT

## (SUPPLEMENTARY).

(In Committee of Supply, 24th June, 1942.)

By the Right Hon. PETER FRASER, Acting Minister of Finance.

MR. CHAIRMAN—

In introducing last April the Financial Statement for the current year it was necessary to anticipate the previous year's results and at the same time make provisional estimates of the various headings of revenue and expenditure for this year.

The accounts for the year ended 31st March last have now been published, so that it is unnecessary for me to refer to them in detail. I would, however, draw your attention to the satisfactory surplus of £1,672,000 in the Consolidated Fund. This surplus arises from additional revenues, particularly Customs and income-tax, which exceeded the estimates by £402,000 and £412,000 respectively. Total revenues exceeded the Budget estimates by £1,945,000, while expenditure exceeded the appropriations by a total of only £46,000, which, on the whole, indicates very satisfactory estimating.

**Consolidated  
Fund.**

The Social Security Fund for last year closed with the results anticipated in my April Statement—namely, that the receipts exceeded the Budget estimate by a total of £458,000, while the expenditure fell short of the appropriations by £1,141,000, these results being reflected in an increase in the balances carried forward into the current financial year.

**Social Security  
Fund.**

In the War Expenses Account the expenditure was £11,660,000 less than the Budget estimate of £64,100,000, this being due solely to the delay in receipt of claims from overseas. The public accounts being kept on a purely cash basis, these liabilities are not brought to charge until payment is actually made.

**War Expenses  
Account.**

I would explain, however, that the expenditure incurred in New Zealand was actually greater than that budgeted for, as there was a substantial increase in the rate of local expenditure following Japan's entry into the war. The reduction in total to which I have referred relates to the overseas portion of our expenditure which is financed by the United Kingdom Government.

Full details regarding last year's war expenditure were given to honourable members at a recent secret session of Parliament, and I do not propose to repeat such information on this occasion.

In respect of the current financial year, the estimates of revenue and expenditure which I presented in April last have been carefully revised, but the minor amendments involved are insufficient to justify altering the Budget picture. As regards the Consolidated Fund the various headings of revenue are maintained on the same basis as previously, but a reduction has been effected in both permanent and annual appropriations totalling £424,000, mainly on account of public debt charges, but the amount of this reduction will probably be required for supplementary estimates and to provide for contingencies.