

We must see that our contribution to the post-war world is equal to the contribution made during the past five years by our fighting men, farmers, women, and other workers—a contribution which has been quoted as an example to the whole world.

We must, however, keep our accounts, and that is why to-night I present you with the record of the year that is past and the estimates for the one to end on 31st March next. The accounts for the past financial year show a surplus in the Consolidated Fund of £2,232,580.

To complete the picture of the financial position of the country the Consolidated Fund surplus should be examined with the War Expenses Account and the Social Security Fund. Both these last-mentioned accounts are financed by taxation direct and by transfers from the Consolidated Fund. It is difficult in the case of the War Expenses Account, which is financed partly from loans and partly from revenue, to assess what the exact surplus is for the year, as the term is usually applied to a revenue surplus, but, based on the difference between the opening and closing balances, it may be said that the account showed a deficit of £621,097. Similarly, the deficit in the Social Security Fund amounted to £141,662, so that, taking the results in the three accounts together, we arrive at a net surplus for last financial year of £1,469,821.

The principle of pooling of the revenue resources, to which I have just referred, applies equally to capital resources. Thus since 1941 the only public loans which have been raised have been for war purposes, and the Government have been able to finance the whole of the capital required for national-development purposes from departmental funds. Moreover, surplus departmental funds have been applied towards fulfilling war-loan requirements. Thus the State has marshalled the whole of its financial resources primarily for assisting in the war effort.

The surplus in the Consolidated Fund is due both to revenue having been received in excess of the estimates and also reduction in expenditure. On the revenue side receipts from taxation under practically every heading were up compared with both the previous year and the Budget estimate. Income-tax and Customs duties were responsible for the major part of the increase. The total taxation receipts into the Consolidated Fund were £42,000,000, an increase of £6,500,000 over the Budget estimate, and it was this factor, as I shall explain later, that enabled an additional transfer of £6,000,000 to be made to War Expenses Account. The other receipts into the Consolidated Fund, including interest on capital liability of trading undertakings, were all very close to the estimates and do not call for any special mention.

The position regarding expenditure is very satisfactory in that although the estimates were exceeded in certain cases this was more than offset by savings in other respects, so that on balance the total expenditure is well within the amount appropriated by Parliament. Social services chargeable against the Consolidated Fund accounted for £14,600,000 as compared with the amount authorized—£14,800,000—both of which figures include the amount of £4,100,000 transferred to the Social Security Fund as set out in the Estimates. Other votes show an expenditure of £6,800,000 as compared with the £6,900,000 appropriated. Expenditure under the permanent appropriations—that is, under special Acts of the Legislature—was also, in the main, lower than anticipated, the only exception of any importance being the transfer which I have already mentioned to War Expenses Account of an additional £6,000,000.

The total amount provided out of the current year's revenue in aid of the War Expenses Account was thus £7,500,000, against the £1,500,000 provided for in last year's Budget. In addition, the previous year's surplus of £4,200,000 was also transferred to War Expenses Account during the year just closed, making a grand total of £11,700,000, transferred under the statutory authority contained in section 2 of the War Expenses Act, 1939.

Following the precedent of the past five years, it is proposed to transfer the 1943-44 surplus in the Consolidated Fund to the War Expenses Account.

The actual expenditure from the Social Security Fund for the year was £17,600,000, as against a Budget estimate of £17,500,000. Revenue in the Fund from the social security charge, registration fees, and miscellaneous was up by approximately £1,200,000, the total being £13,400,000. This, together with the £4,100,000 from Consolidated Fund as originally provided for, enabled the whole expenditure to be met with only a small reduction in the cash balance of the Fund.