

the working cash balance has not therefore been drawn upon to the extent that we provided for. Expenditure out of the War Expenses Account was lower under practically every heading, the net reduction for the year as compared with the Budget estimate being £3,000,000.

Similarly, under the National Development programme, which is financed from loan-moneys raised from departmental sources, the expenditure has been kept well within the estimates, the saving on the amount authorized by the Appropriation Act being over £2,000,000.

**Consolidated
Fund, 1944-45.**

Dealing with each of these accounts separately, in the case of the Consolidated Fund the position is that the financial programme as set before you on the 3rd August last was on the basis of revenue totalling £51,500,000 and expenditure £51,197,000, leaving £303,000 for supplementary estimates and contingencies. When the supplementary estimates were prepared it was found that £598,000 was required under that heading. Revenue returns then to hand indicated that additional receipts would more than cover the extra £295,000 proposed, and the supplementary estimates were completed on that basis, making a total authorized expenditure of £51,795,000 which included transfers to War Expenses Account of £4,000,000 and to Social Security Fund of £4,500,000. Against this total of £51,795,000, the actual expenditure for the year was £53,033,000, an over-expenditure of £1,238,000 of which £455,000 was under permanent appropriations and the balance of approximately £800,000 was in respect of items normally chargeable to the annual appropriations. The major part of this latter amount comprises increases of salaries and wages of State employees, which were payable as from the 30th June, 1944. Apart from this item, the expenditure for the year has been close to the estimates.

Revenue, on the other hand, which totalled £54,248,000, was better than expected, and produced £2,748,000 over the Budget estimate, the principal variations being in respect of Customs duty, which was £872,000 higher than anticipated, and income-tax, which was up by £1,686,000.

Full details of Consolidated Fund revenue and expenditure for the year will be found in the public accounts recently published, and in the tables attached to this Statement.

**Surplus,
1944-45.**

For several years past it has been the practice to transfer the Consolidated Fund surplus to the War Expenses Account during the following year, but it is proposed on this occasion to carry the surplus forward as part of the working balance of the Consolidated Fund. There has been a steadily increasing burden on that Fund due to interest and repayment charges on war loans and for war pensions being met from that source. Since the war began the extra cost annually for these two items alone is approximately £9,000,000, and while these charges have to be met month by month, our biggest source of revenue—that is, income-tax—does not come to hand till late in the financial year. To ease the strain, therefore, in the early part of the financial year a larger working cash balance is desirable, thereby reducing or avoiding the necessity for borrowing by Treasury revenue bills. The total working balance in the Consolidated Fund will thus be increased from slightly over £2,000,000, at which it has stood for several years past, to £3,256,000, being the amount available on the first day of the present financial year. It will be agreed that this figure leaves little margin for economical financing in respect of a Budget expenditure of over £1,000,000 a week, especially when revenue does not come to hand regularly through the year, but expenditure has to be met more or less evenly from day to day.

**Social Security
Fund, 1944-45.**

When referring to the Social Security Fund last year I intimated that expenditure was estimated at £18,857,000 and revenue at £17,875,000, which meant that approximately £982,000 would be met out of the cash balance in the Fund at the beginning of the year. The final result, however, has proved to be better than was expected, and the reduction in the working balances has been only £555,000. Expenditure exceeded the estimate by £475,000, but revenue exceeded expectations by £902,000, so that the final result is more favourable by £427,000 than was anticipated. Dealing with the items in more detail, the monetary benefits paid out were very close to the estimate, being £13,428,000, as against the estimate of £13,337,000, a difference of £91,000. Medical benefits, however, were above the estimate, the actual expenditure being £5,235,000, whereas the estimate was £4,853,000. The social security charge realized £13,664,000, £864,000 above the estimate. Registration fees and miscellaneous revenue were up by £38,000. The transfer from the Consolidated Fund was made as provided for in the year's programme at £4,500,000.