

1948
NEW ZEALAND

FINANCIAL STATEMENT

(In Committee of Supply, 19th August, 1948)

By the Right Hon. Walter Nash, Minister of Finance

MR. CHAIRMAN,—

I think that most, if not all, of us had hoped that by this time, some three years after the cessation of hostilities in the Second World War, the shadows and many of the economic effects of war, would have largely passed by.

Unfortunately, that is not so.

At a time when many millions of men are reported to be still under arms in various countries of the world, when the United States Congress has voted greatly increased funds for air armaments, and when international relations are so unsatisfactory as they have been and are in Berlin, we can hardly claim to have passed from beneath the shadow of war. The financial aspect of our own relatively minor precautions is brought home to us when we compare this year's estimated provision of £11,666,000 for the Army, Navy, and Air Force votes (apart from £1,700,000 set down for the cost of J Force) with the total of £2,000,000 provided in the estimates of ten years ago.

Nor do the shortages of materials and labour, the difficulties and inflated prices of imports, and the insistent and continued demand for our exports permit us to forget that the effects of war do not end with the formal cessation of hostilities. If any further financial reminder is required it is only necessary to consider the growing bill for pensions and the large part, some £211,000,000, of our public debt which was raised to meet portion of the cost of the 1939-45 war.