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NEW ZEALAND.

FINANCIAL STATEMENT.

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

MR. SPEAKER,—

We are facing to-day, in common with the other countries of the British Commonwealth of Nations, the most ominous threat in the history of our civilization. Crisis has succeeded crisis throughout this world-wide conflict. On no occasion have the British peoples failed to respond instantly, and as one man, to threats of danger, and by their own undaunted spirit and by their willingness to make supreme efforts no disaster has succeeded in disheartening or overwhelming them. To-day there is danger on every side, but the deterioration of the situation can have but one result—the calling forth of the best and most united exertions of every freedom-loving man and woman. With the successive advances of the Japanese the threat to the security of this country has never been more critical or near, nor have we ever before set ourselves a task of such magnitude as that which is now engaging our attention. Our entire national effort and, indeed, our whole economy must become diverted towards placing New Zealand on a complete war footing. There is no need to stress the fact that this war will not be won by the fighting forces alone. It is in the workshops and in the industrial efforts of our people, in savings and sacrifices in the home—in short, by the wholehearted effort of each and every one of us—that we can hope to survive and emerge triumphant from the dangers that now beset us.

With the extension of the war into the Pacific infinitely greater demands have been placed upon the people of the Dominion. The huge expansion of our armed forces, combined with the diversion of so great a proportion of our productive resources to war purposes in recent months, has so altered the financial outlook that I have deemed it advisable to lay the position before the House at the earliest possible opportunity. I have accordingly taken the unusual course of presenting a Financial Statement now, although neither the complete accounts for last year nor the detailed estimates for this year are yet available. Both will be made available as soon as possible.

I am, however, in a position to inform honourable members that last year closed with a Budget surplus in Consolidated Fund of approximately £1,500,000, due for the most part to the main headings of revenue exceeding the estimates. The expenditure in total was closely in accord with the appropriations, although there were variations in some of the items.

In the case of the Social Security Fund, the revenue slightly exceeded the estimates, while the expenditure was approximately £1,000,000 less than was anticipated, with the result that the balance in the account increased by approximately £1,000,000 during the year.