

The total revenue of the Fund is estimated at £14,750,000 as follows:—

REVENUE.			
			£
Social security charge	..	..	10,525,000
Registration fee and miscellaneous	..	..	625,000
Transfer from Consolidated Fund	..	..	3,600,000
			£14,750,000

The excess expenditure, based on these estimates, will be met from the cash balances at present held by the Fund.

The foregoing expenditure, both Consolidated Fund and Social Security Fund, is shown in detail in the estimates now submitted for the consideration of honourable members.

As mentioned in my April Statement, it is proposed to limit the borrowing for the National Development programme to a total of £4½ millions. This amount includes hydro-electric works (£1,100,000), which it is important to develop in war time, housing (£1,000,000), and the balance, main highways, linen-flax development, and completion of public buildings, &c. Since my earlier Statement, it has been found possible, by a re-allocation of amounts, to increase the provision for housing from £550,000 to £1,000,000, the limiting factor in this case being the prior demands of defence.

As regards the War Expenses Account, where the bulk of the State expenditure now lies, the expenditure for the year is still estimated at a total of £133,000,000 as follows:—

**War Expenses
Account,
1942-43.**

WAR EXPENSES ACCOUNT, 1942-43.				
EXPENDITURE.				
		£(m.)	£(m.)	£(m.)
Army	..	..	97·0	
Navy	..	..	10·0	
Air	..	..	19·0	
Civil	..	..	7·0	
				133·0
REVENUE.				
War taxation (at previous rates)	..	20·0		
Transfer from Consolidated Fund of 1941-42 surplus (£1,672,000) and further £1,500,000 from 1942-43 revenues	..	..	3·2	
Miscellaneous	..	..	3·8	
				27·0
Gross deficit	..	..	..	106·0
Less—				
Amount to be borrowed from the United Kingdom Government under the Memorandum of Security Agreement			46·0	
Expenditure in United States of America to be financed under Lease-Lend procedure	..	..	10·0	
				56·0
Net deficit	..	..	..	50·0
Of this deficit, the recently imposed increases in taxation will account for	..	..	..	14·4
Leaving a balance of	.	..	£35·6	

to be raised by means of war loans (£27,600,000), National Savings scheme and departmental investments (£8,000,000).

