

It will be appreciated, from an examination of the assets which I have just described that many of them are directly revenue producing and as such are little or no burden on the general taxpayer. The housing policy, for which the present Government is responsible, constitutes a worthwhile investment of the State's resources as adequate housing facilities for the people are next in importance to food and clothing.

Hydro-electric development, which accounts for a public investment of £24,100,000, is entirely self-supporting; in fact, a profit has been earned each year in spite of the fact that electricity charges in New Zealand compare more than favourably with those in other parts of the world.

Basis of Budget

The current year's Budget has been prepared on the basis that the peacetime costs of the Armed Forces will revert to the Consolidated Fund, and that the War Expenses Account will be provided with only sufficient funds to meet the expenses of the J Force, the portion of rehabilitation being charged to War Expenses Account, the outstanding commitments arising from the war and items which will be eliminated entirely when the War Expenses Account is closed.

All of these items will, it is anticipated, be covered by funds in the account at the beginning of the year, National Savings receipts, moneys received from the sale of surplus assets, and miscellaneous receipts. The only new money being credited to War Expenses Account will be from the National Savings Scheme, estimated to produce £6,000,000 for the year.

All taxation receipts, other than those for the Social Security Fund, are being credited to the Consolidated Fund.

In regard to stabilization subsidies, which in the past have been met mainly from the War Expenses Account, a new vote is being included in the Consolidated Fund to meet these costs, together with other subsidies previously charged to various votes in the Consolidated Fund.

CONSOLIDATED FUND

Although war finance has of necessity attracted considerable attention in recent years, the Consolidated Fund still remains the most important section of the Public Accounts, as therein is reflected, either directly or indirectly, the result of most of our financial transactions. The expenditure for last year, after taking into account the amount authorized by the supplementary estimates, was estimated at £57,270,000, whereas the actual expenditure as disclosed by the accounts was £57,252,000. The only material variation was under the heading "Debt Services," where interest was some £331,000 over the estimate, due to the payment before due date of broken-period interest on debt paid off just prior to 31st