

I will now deal with each of the main accounts in more detail, at the same time indicating the anticipated position of each for the current financial year.

CONSOLIDATED FUND

During 1946–47, trade and economic activities generally were somewhat better than was anticipated when the Budget was prepared. Consequently, the receipts of the Consolidated Fund totalled £108,294,000, or £7,912,000 in excess of the Budget estimate. The buoyancy was reflected in all headings of taxation, particular items contributing to the excess being as follows: income-tax, £1,335,000; national security tax, £1,404,000; Customs, £1,219,000; sales tax, £1,300,000; and stamp duties (which includes racing revenue), £1,550,000.

On the other side of the account, expenditure exceeded the aggregate estimate of £100,382,000 by £3,301,000. The main reason for this rise in expenditure was a transfer of £3,000,000 to War Expenses Account to assist in providing funds for the gift of £12,500,000 to the United Kingdom. Otherwise the expenditure generally was fairly closely in accord with the estimate. It was, however, found necessary to pay an additional subsidy of £170,000 to the Teachers' Superannuation Fund. Another new item was £500,000 transferred to Land for Settlements Account as part of the finance for the rehabilitation of our returned servicemen. It is the policy not to load men settled on farms with more capital liability than the productive value of their properties. When areas are purchased and subdivided, any additional costs above productive value of fully equipping individual units is borne by the State. To provide for losses of this nature is the purpose of the transfer of £500,000 from the Consolidated Fund.

As already indicated, the year's transactions resulted in a surplus of £4,611,000, and, exercising an authority contained in the War Expenses Act, 1939, this has been transferred to War Expenses Account to assist in meeting the costs of maintaining the J Force in Japan and other remaining war commitments. With this assistance it is expected that further borrowing for war purposes during 1947–48 will be obviated.

Estimates for 1947–48

Total revenue of the Consolidated Fund during the current financial year is estimated at £108,860,000, and expenditure, which is supported in detail by the estimates, at £105,516,000. The balance of £3,344,000 will be available for the supplementary estimates, much greater provision than usual being necessary to provide for wage and salary increases and other adjustments in expenditure arising out of the Arbitration Court's recent decision on basic rates of wages.