faced by Britain through her shortage of dollar funds, and it is therefore apparent that we must exercise greater restraint in making calls on the already inadequate supply, even though this may cause delay in the importation of many highly desirable commodities.

Financial Policy

I hope I have thus far conveyed to members some conception of the surrounding economic circumstances within which New Zealand must make her decisions as to fiscal policy, as to increasing or reducing individual purchasing-power, and as to altering existing taxation and financial conditions. I propose at a later stage to go further into the more local questions of capital development, the supply of savings for that purpose, and the general situation as to money-supply and the trend of national income as against available goods and services.

First, however, I think it would be desirable to give particulars of the public accounting results for the past year, together with some comment on more outstanding aspects of the many transactions which go to produce those results. Members who desire the full detail will find them in the certified and audited statement of Public Accounts known as B–1 [Pt. I], which has already been laid before the House.

The first and most important of the Public Accounts is, of course, the Consolidated Fund.

CONSOLIDATED FUND

The revenue of the Consolidated Fund reached the figure of £117,116,000 or £7,256,000 in excess of the revised Budget estimate. Nearly all headings of revenue showed an increase, particularly large increases being Customs, £3,091,000; income-tax, £1,132,000; and departmental receipts, £2,351,000.

Expenditure from the Consolidated Fund amounted to £115,330,000 exceeding the amount appropriated by £5,478,000. The expenditure included a special transfer to Loans Redemption Account for debt redemption of £4,000,000, mainly to meet the repayment of a loan of £3,761,000, which fell due on 15th May, 1948, and has since been repaid. Under the heading of "Other Special Acts" the sum of £2,055,000 was transferred to War Expenses Account to meet the cost of six "Loch" class frigates and one survey vessel purchased