

From the 1st July, 1943, basic rates of benefits were increased. All classes of beneficiaries received an adjustment in the award previously payable.

The Government also arranged for a comprehensive review of the war-pensions legislation, and substantial increases in the rates of pension were authorized. These increases had the effect of bringing the war pensions available to totally disabled servicemen and to the widows of deceased servicemen to a rate comparable with changed economic circumstances.

Under the heading of national development the Government's programme was necessarily on a very small scale and was in keeping with wartime policy of restricting such development to bare essentials. Most of the expenditure incurred was for housing and hydro-electric works. Allowing for approximately £2,000,000 available at the beginning of the year, it was anticipated that £6,500,000 would have to be raised to carry out the restricted programme, but, due partly to the diversion of men and material to urgent war work, it was found that £4,000,000 covered requirements. As already indicated, loan-moneys for works other than war purposes have been provided from departmental sources, thus leaving the public market entirely free to meet war-loan requirements.

I have dealt very briefly with the three accounts—Consolidated Fund, Social Security, and National Development—full particulars of all these are available in the published accounts. In normal times these three accounts would be dealt with exhaustively in any financial review, but, important though they are, they are overshadowed by the magnitude of our war expenses budget, and I propose now to deal more fully with that account for the past year.

As the offensive against our enemies developed, so war-costs increased. In last year's Budget no lessening of war-costs was envisaged, and the net final figures for the year, after allowing for the sum of £10,216,000 used for debt repayment, show that the immense sum of £152,900,000—immense for a country of our population—was expended in financing the struggle.

National
Development
Loans, 1943-44

War Expenses
Account,
1943-44

The full results for last year in the War Expenses Account were as follows:—

WAR EXPENSES ACCOUNT, 1943-44

EXPENDITURE					£(m.)	£(m.)
Navy	..	..	..	..	8.2	
Army	..	..	..	..	78.1	
Air	..	..	..	..	33.8	
Civil	..	..	..	..	7.8	
Rehabilitation	..	..	..	..	0.5	
Reciprocal Aid : Reverse Lend-Lease	..	..	..	..	24.5	
					—	152.9
						—
RECEIPTS						
War taxation	..	..	..	..	45.4	
Transfers from Consolidated Fund	..	..	..	..	11.7	
					—	57.1
Miscellaneous	..	..	..	..	0.2	
Reciprocal aid : Lend-Lease	..	..	..	..	32.5	
Memorandum of Security Agreement with United Kingdom Government	..	..	..	..	£(m.) 11.7	
Less repayments	..	..	..	..	5.0	
					—	6.7
Loans raised in New Zealand	..	..	..	..	61.0	
Less repayments	5.2	
					—	55.8
					—	152.3
						—
Balance met from cash balance at beginning of year		0.6
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