

The programme for national development shows a substantial increase as compared with last year, but is still restricted to bare essentials.

**National  
Development  
Programme,  
1944-45**

Last year £6,000,000 was expended on capital works apart from direct war needs, while for the current year a total of £10,500,000 is required, the principal increases being in respect of housing and hydro-electric development. The former is being increased from £2,092,000 last year to £3,500,000, and the latter from £1,600,000 to £3,200,000.

The whole amount required for this programme will be raised by loan, but, as has been the case during the past few years, will be financed entirely from departmental sources.

Having in mind the very important problems which will arise when hostilities cease the Government recently set up an Organization for National Development, which is charged with the general responsibility of planning for post-war reconstruction, and already steps have been taken to survey our production potentialities for the future.

After a close review of all factors and allowing for developments during the year as accurately as it is possible to forecast them, the position of the War Expenses Account up to the 31st March next is estimated to be as follows:—

**War Expenses  
Account,  
1944-45**

EXPENDITURE					£(m.)	£(m.)
Navy	..	..	..	..	7·5	
Army	..	..	..	..	57·0	
Air	..	..	..	..	35·5	
Civil	..	..	..	..	7·0	
Rehabilitation	..	..	..	..	2·0	
Reciprocal aid : Reverse Lend-Lease	..			..	24·0	
					—	133·0
						—
RECEIPTS					£(m.)	
War taxation—						
Income-tax	..	..	..	..	8·0	
Stamp duty (estate, succession, and gift)					4·3	
Customs duties	..	..	..	..	2·7	
Beer duty	..	..	..	..	1·4	
Sales tax	..	..	..	..	9·2	
Postage	..	..	..	..	0·6	
National security tax	..	..	..	..	19·2	
Miscellaneous	..	..	..	..	0·1	
					—	45·5
Transfers from Consolidated Fund of 1943-44 surplus and a further £4,000,000 in respect of 1944-45					6·2	
Amount to be borrowed from the United Kingdom Government under the Memorandum of Security Agreement	..	..	..	..	9·3	
Reciprocal aid : Lend-Lease	..	..	..	..	25·0	
					—	86·0
						—
Deficit	..	..	..	..		£47·0
						—

The Navy shows a decrease in expenditure of some £700,000, mainly under the headings of war stores and the purchase of ancillary ships.

The Army estimate shows a decrease of £21,000,000 compared with last year's expenditure. This arises, in the main, from a reduction in personnel and a contraction in the supplies of war and other stores, the orders for which have recently been closely reviewed and revised.

The Air estimate, on the other hand, has increased by £1,700,000 compared with last year's expenditure. Practically the whole of the increase relates to aircraft, aircraft spares, and general war stores, the bulk of which are required in actual battle zones.

An increase of £1,500,000 has been allowed under "Rehabilitation" to meet the needs of men who are being rehabilitated into normal occupations on their release from the Armed Forces.

**Rehabilitation**