

As was stated when presenting last year's Budget, the vicissitudes and exigencies of war make estimating for war purposes anything but an exact science, and while the final expenditure, after adjustment for loan repayments, is only £4,900,000 in excess of the Budget estimate of £148,000,000, there were several variations from the Estimates.

In the Navy expenditure, there was a saving of £1,800,000, made up of reductions in docking charges, stores, and the curtailment of building.

Army expenditure was £10,100,000 above the estimate. The maintaining of the strength of our forces in the Pacific and the payment for war stores supplied early in the war, the accounts for which have lately been received, increased expenditure by £14,000,000, while savings in other items, such as buildings and accommodation, were a set-off against this.

The Air expenditure closely approximated the estimate.

**Civil
expenditure**

The item for "Civil," under which are charged war-costs not directly applicable to or which cannot immediately be allocated to one of the Service Departments, was under the estimate by £8,200,000. This reduction occurred mainly through the quicker recovery of amounts due by Service Departments.

Rehabilitation

This brings us to the heading "Rehabilitation," which will assume greater prominence as the day of victory approaches, and will ultimately become the main item in the War Expenses Account.

Of the amount last year of £544,000 under this heading, £158,000 has been invested in respect of business loans, purchases of stock and tools of trade, and in making up the difference between normal lending rates and the special interest-rates for soldiers for homes and farms, and, where loans were made through the State Advances Corporation, the meeting of the Reserve Fund contributions. The balance, £386,000, was expended on grants to servicemen to provide between the date of discharge from the Forces and their absorption in civilian life, on educational courses, and occupational training. These figures cover only the expenditure incurred direct from War Expenses Account and contain only a small portion of the State's rehabilitation activities. The State Advances Corporation, the Lands Department, and the Native Department are all actively engaged in rehabilitation work, and financial assistance through these agencies during the past year amounted to over £1,000,000.

**War
borrowings
1943-44**

The amount of £10,216,000, representing repayments of loans, should be deducted from the year's borrowing, the gross figure for which was £72,755,000. This leaves a net figure of £62,539,000 as cash received during the year, made up as follows:—

| | | | |
|--------------------------------------|---------------|--------------------------------|--------------------|
| 3rd Liberty Loan— | | £ | £ |
| Stock issued .. .. | .. .. | 30,231,000 | |
| National savings .. .. | .. .. | 10,811,000 | |
| | | <hr/> | 41,042,000 |
| Over-the-counter sales .. .. | .. .. | .. | 5,129,000 |
| Departmental Funds .. .. | .. .. | .. | 10,600,000 |
| Advance Subscriptions, 1943-44 .. .. | .. .. | .. | 1,555,000 |
| Memorandum of Security .. .. | .. .. | .. | 6,732,000 |
| Miscellaneous .. .. | .. .. | .. | 42,000 |
| | | | <hr/> |
| Less— | | | 65,100,000 |
| Advance Subscriptions paid in .. .. | .. .. | £ |  |
| 1942-43 .. .. | .. .. | 2,345,000 | |
| Miscellaneous repayments .. .. | .. .. | 216,000 | |
| | | <hr/> | 2,561,000 |
| | | | <hr/> |
| | | Net borrowing for war purposes | |
| | 1943-44 .. .. | .. .. | <u>£62,539,000</u> |

**3rd Liberty
Loan**

The 3rd Liberty Loan made history not only in amount, but also in the numbers of subscribers; also for the enthusiasm with which it was supported, and the oversubscription, which exceeded £6,000,000.