

Complete results for 1944-45 are not yet available, but to the extent that such information is to hand—namely, in respect of “salaries and wages” and “social security benefits and pensions,” record totals have been reached.

The foregoing statistics are co-ordinated with those of total production as follows:—

	Total Aggregate Private Income.	Estimated Value of Production.
	£(m.)	£(m.)
1935-36 ..	124·6	113·8
1939-40 ..	200·2	144·8
1942-43 ..	264·4	169·8
1943-44 ..	292·3	..

The value of production for 1943-44 is not yet available, but the very satisfactory trend is shown by the foregoing results.

To complete this broad outline, reference must be made to the Government's policy in the field of finance, which is a most important factor in assisting a country's war effort.

The following is a summary of our War Expenses Account since the outbreak of war to the 31st March, 1945:—

War Expenses  
Account,  
1939-45.

WAR EXPENSES ACCOUNT TO 31ST MARCH, 1945					
<i>Receipts</i>			<i>Expenditure</i>		
	£(000)	£(000)		£(000)	£(000)
War loans raised ..	258,220		War and other stores ..	165,135	
Less repayments from War Expenses Account ..	27,706		Pay and allowances ..	140,968	
		230,514	Accommodation, food, and clothing ..	31,629	
War taxation ..		173,597	Land, buildings, and ships ..	31,233	
Transfers from Consolidated Fund ..		26,586	Repairs, maintenance, and rent ..	6,459	
Reciprocal aid ..		83,837	Medical services ..	2,587	
Disposal of surplus assets ..		3,479	Educational services ..	162	
Miscellaneous receipts ..		6,901	Transport ..	18,558	
			Miscellaneous non-effective services ..	2,981	
			Miscellaneous effective services ..	14,773	
			Total expenditure by Army, Navy, and Air ..	414,485	
			Ancillary ..	32,491	
			Reciprocal aid: Reverse lend-lease ..	58,174	
			Rehabilitation ..	1,862	
			Total expenditure ..	507,012	
			Balances on hand ..	17,902	
		£524,914			£524,914

New Zealand's total war expenditure to 31st March last amounts to no less than £507,000,000. No mean achievement for a population of only one million and three-quarters. Of this total expenditure only 43 per cent. remains outstanding in the form of war loans, as, after allowing for redemptions from other sources, we are left with an increase in the public debt on account of war of £218,750,000. Lend-lease assistance from the United States of America, totals nearly £84,000,000, as against reciprocal aid, which we have supplied to their Forces totalling over £58,000,000, without taking into account the fact that, in general, our price-level is substantially less than that at which lend-lease goods have been supplied to us.

It will be recalled that in the Government's first war Budget a definite war finance policy was enunciated in the following words:—

“It is infinitely better for everybody that the measure of the sacrifice required from each and every one to carry on the war should be made out of our current income either by way of taxation or by savings . . . The Government's policy for financing the national effort on the war front and the home front may be concisely stated as to tax to the economic limit for war purposes and borrow for essential productive works and for any balance of war requirements.”

The foregoing statement of the War Expenses Account to 31st March, 1945, is a striking testimony of the success which the Government have achieved in adhering to the policy thus laid down.