

The National Development Programme mentioned in the Budget last year provided for an expenditure of £10,500,000, but this was later increased in the supplementary estimates, the total amount authorized by the Appropriation Act being £13,278,000. A close watch has been kept on the expenditure throughout the year, and the amount borrowed during the year for national development was £11,148,000, a saving of over £2,000,000.

National  
Development  
Loans, 1944-45.

In accordance with our wartime borrowing policy, the loan-money was all obtained from departmental funds as they became available for investment.

The amount borrowed during the year for national development purposes, together with £10,000 carried forward from the previous year, was allocated as follows:—

	£(m.)
Public works (including housing) .. .. .	6·915
Electric supply .. .. .	2·720
Main highways .. .. .	0·060
State coal-mines .. .. .	0·700
Forestry .. .. .	0·270
Railway improvements .. .. .	0·343
Telegraph extension .. .. .	0·150
<b>Total .. .. .</b>	<b>£11·158</b>

This brings me to the War Expenses Account, which in a measure records in pounds shillings and pence our war effort on all fronts.

War Expenses  
Account,  
1944-45.

A summary of the transactions in War Expenses Account for last financial year is:—

RECEIPTS		£(m.)	£(m.)
War taxation .. .. .		48·7	
Transfers from Consolidated Fund .. .. .		6·2	
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		54·9	
Disposal of surplus assets and miscellaneous ..		5·1	
Reciprocal aid: Lend-lease and Canadian Mutual Aid .. .. .		24·6	
Under Memorandum of Security Agreement with United Kingdom Government .. .. .		8·5	
Loans raised in New Zealand .. .. .		45·9	
		<hr/>	139·0
PAYMENTS			
Navy .. .. .		6·6	
Army .. .. .		51·0	
Air .. .. .		33·3	
Ancillary .. .. .		4·9	
Rehabilitation .. .. .		1·2	
Reciprocal aid: Reverse lend-lease .. .. .		26·7	
Repayment of debt: Memorandum of Security Agreement with United Kingdom Govern- ment .. .. .		6·3	
		<hr/>	130·0
Balance, resulting from year's transactions ..			£9·0

Full details of these payments under headings "Pay and Allowances," "War Stores," &c., are set out in the tables at the end of this Statement.

Receipts in War Expenses Account remained buoyant and, including receipts from the sale of surplus assets, produced £6,000,000 more than the estimate of £133,000,000.

The continued full employment of the working population, coupled with the adjustment of wage and salary rates during the year, resulted in an increase in receipts from both income-tax and national security tax. These two items, together with stamp duties, which include estate and succession duties—always difficult to estimate accurately—provided the bulk of the increased revenue under the taxation heading.