

Details of these revised estimates were set out in the Addendum to the Budget last year. The following table gives the original budget estimate, the revised figures to the point of demobilization, and the actual expenditure to 31st March last.

			Original Budget. £(m.)	Revised to Demobilization. £(m.)	Actual, 1945-46. £(m.)
Navy	..	..	6.0	7.99	6.0
Army	..	..	38.0	43.72	24.0
Air	..	..	31.4	33.54	32.1
Total Navy, Army, Air			75.4	85.25	62.1
Deferred pay	..	..	..	5.0	..
Ancillary	..	..	4.0	6.0	1.6
Rehabilitation	..	..	2.0	3.0	2.6
Reverse Lend-lease	..	..	24.0	22.0	22.8
Gratuities	..	..	..	18.0	18.0
Repayment of war debt—					
Overseas	..	..	..	..	22.5
In New Zealand	..	..	..	..	5.0
			<u>£105.4</u>	<u>£139.25</u>	<u>£134.6</u>

The actual charges against War Expenses Account for the financial year amounted to £134,645,000, and receipts totalled £128,480,000. The latter included loan moneys, £37.2 million; taxation, £51.4 million; sales of surplus assets, &c., £13 million; United States of America lend-lease and Canadian Mutual Aid, £26.8 million.

Loan receipts included the 1945 Victory Loan of £25,000,000 which was oversubscribed by £645,384, including receipts from National Savings, amounting to the very satisfactory figure of £9,327,000 for the year. The oversubscription of this, the last war loan, after the heavy demands of previous war loans, was a pleasing feature of last year's war accounts, giving to New Zealand a proud record on the home front, to equal that which our fighting Forces established on the war fronts, of having worthily met all obligations on all occasions.

Looking at the expenditure side, we had a total outgo of £134,600,000, or, if we deduct the debt repayment item of £27,500,000, the net expenditure was £107,100,000, which was £1,700,000 in excess of the original Budget estimate for the year. The difference between this and the revised estimate of £139,249,000, covering costs up to the completion of demobilization, will be reflected in the expenditure for this financial year.

Actual expenditure last year by Army was gross £45,269,000; credits, £21,251,000; net, £24,018,000. Credits, which came chiefly from rebates on payments for war stores made in previous years and from the settlement of accounts for stores supplied to the Eastern Group, were much higher for the year than anticipated, due to early settlement, and explain the comparatively small net expenditure.