

to rolling-stock, where serious shortages now exist. To relieve the position, arrangements have been made to import three thousand railway wagons from the United Kingdom, with spread deliveries, the first shipment being already in New Zealand. The £2,000,000 required for this rolling-stock is the major item in the increased vote for "Improvements and Additions to Open Lines." Line duplication, grade easements, station buildings, &c., go to make up the balance of the total of £4,000,000 anticipated capital expenditure on the existing railway undertaking. One million pounds will be charged to the Depreciation Fund, and the balance will be financed out of new loan capital raised through the National Development Loans Account.

War Expenses Account, 1946-47

This account has now reached a stage where the only current transactions are in respect of the J Force in Japan and certain categories of rehabilitation activities. Some residual liabilities, however, are still coming to charge.

Receipts into the War Expenses Account during 1946-47 totalled £39,600,000. These were derived mostly from sale of surplus assets and investments by the public in national savings, which latter reached the satisfactory sum of £7,900,000. War Assets Realization Board sales exceeded £11,000,000, while Armed Services disposals of surplus military equipment to overseas Governments and miscellaneous receipts accounted for a further £12,500,000. We also received £3,269,000 from the U.S.A. Government in reimbursement for war supplies outside the scope of reciprocal-aid arrangements while £3,000,000 was transferred from the Consolidated Fund as part of the gift of £12,500,000 to Great Britain. This gift represented a relatively slight adjustment of war costs and was a tangible acknowledgment by New Zealand of the tremendous effort made by the Mother-country in winning the war.

The Budget estimate of expenditure from the Account was £32,000,000 and, apart from the unforeseen item for the gift to Britain, the actual expenditure amounted to £31,700,000, as follows:—

	£(m.)
Cost of J Force	4.1
Pay and allowances and transport.. .. .	6.2
Payment for war stores and other commitments	6.8
Rehabilitation and Gratuities	6.5
UNRRA	3.6
Miscellaneous	4.5
	£31.7