

having the right, however, on or after 1st August, 1951, to redeem the latter on giving three months' notice. To the extent that the whole of this amount is not required to meet commitments in New Zealand it will be used to meet overseas war costs. To make way for these war loans, the National Development loan has now been withdrawn.

National Savings.

The National Savings Accounts and Bonds continue to yield satisfactory results and provision has been made for the raising of an estimated sum of at least £3,000,000 by this means. I would urge all citizens to contribute to war loans, whether in the form of the special war loans, interest-free loans, or National Savings Accounts or Bonds, as apart from the necessity of obtaining funds to meet war costs, a diversion of the spending power of the community to a furtherance of the war effort is an essential measure for economic stability.

War Damage Insurance.

It is proposed to introduce this session a War Damage Bill providing compensation for loss of property which may be destroyed by enemy action.

REPATRIATION.**Repatriation.**

The Government have been considering for some time measures necessary to re-establish in civil life the thousands of men now in the armed forces. Most of the work of repatriation can be carried out by existing Departments and from the administrative point of view co-ordination and direction are the chief problems. It is proposed to bring down a Repatriation Bill this session which will deal with the matter on broad lines and set up a central authority. Land-settlement under the Lands and Survey Department has already been dealt with by the Small Farms Amendment Act, 1940, and its regulations. The State Advances Corporation, which has all the necessary machinery, will be used as the channel for loans for the erection of houses and purchase of farms, furniture, tools-of-trade, &c. These loans will be made on favourable terms and conditions to be determined by the Government. Several free-of-interest loans up to £50 for tools have already been approved, and details of furniture loans are now under consideration. The drafting of schemes for other loans, and for farm and industrial training, has reached an advanced state, and these matters will come up for decision shortly.

The administration of other aspects of repatriation has proceeded steadily for some time. Under the War Pensions Extension Act, 1940, sick or disabled men discharged from the forces receive full treatment and adequate pensions, while the State Placement Service acts as an employment and general after-care agency, in addition to interviewing and assisting each man in the first instance.

As a back-ground to successful rehabilitation the economic future of the Dominion, particularly in the post-war period, must receive very careful thought. We must endeavour so to direct the industrial make-up of New Zealand that suitable employment can be found not only for returned men, but also for the whole employable population.

PUBLIC DEBT.**Overseas debt.**

The net decrease in the public debt overseas (apart from war debt) during the past year amounts to £3,903,000 sterling. This reduction has been due to the following net repayments:—

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| Instalments in respect of the £16,000,000 sterling conversion loan in accordance with the 1939 agreement | £ |
| 4½ per cent. Treasury notes repaid | 1,891,000 |
| Short-term bills | 976,000 |
| Deferred payment stock | 1,000,000 |
| | 98,000 |
| | ----- |
| | 3,965,000 |
| Less premiums on converted stocks | 62,000 |
| | ----- |
| | £3,903,000 |
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