

small farms development (£388,000), lands for settlement (£450,000), Native land settlement (£250,000), miscellaneous works on the land (£200,000), and afforestation (£300,000). A further £1,212,000 for land-development operations will be available from revenue receipts and earnings.

During the past year the Government's policy in regard to housing has been vigorously pursued, and it is gratifying to know that during that period an additional 3,966 housing units were completed under the direction of the Housing Department; bringing the total number of new rental units under the control of the State Advances Corporation to 10,425.

Housing.

Further contracts have been let, and the number of units under construction at the end of last year was 2,444.

Subject to the necessary material and labour being available, the Housing Construction Department will continue to operate to the fullest possible extent in an effort to provide additional houses which are so urgently required, particularly in the larger centres. Provision for a total expenditure of £4,400,000 has accordingly been made in the current year's estimates, of which £3,790,000 will be financed from loans and the balance from rent receipts.

Those desiring to erect houses for themselves have been offered building loans by the State Advances Corporation on liberal terms, and although there has been some easing in the demand there have been granted during the past financial year 907 building loans for a total value of £889,000.

The Empire's need for linen-flax supplies the reason for this year's increased loan allocation of £600,000 for this purpose. Under an agreement recently concluded the United Kingdom Government will buy the fibre produced from 25,000 acres during the war period and one year thereafter. A schedule of prices has been agreed upon for the 1941-42 and 1942-43 seasons.

Linen-flax.

The allocation to the Iron and Steel Industry Account has been increased to £350,000, as compared with last year's expenditure of only £6,500, owing to the necessity for some local production of steel.

Iron and Steel.

The public buildings loan allocation is £900,000, while that for education buildings is £500,000, and any new works undertaken under both these headings are to be only those of the most urgent nature. Other minor allocations for miscellaneous services such as lighthouse and harbour works, telegraph extension, and plant and material make up a total of £1,229,000, of which £625,000 will be met from loans.

Public Buildings.

This completes a review of the country's finances. The three principal State Budgets—namely, the Consolidated Fund, the War Expenses Account, and the Social Security Fund—having been adequately provided for, no increases in taxation will be necessary this financial year, but it is confidently hoped that citizens will contribute to the maximum extent to the War Loans and the National Savings Bonds and Accounts.

SUMMARY.

Summarized the financial statement shows:—

1. That in spite of the withdrawal of large numbers of our ablest men for war purposes production during the latest year for which figures are available has increased.

2. That the previous excess of withdrawals from the Post Office Savings-bank Accounts has given place to an excess of deposits amounting to £3,864,000.

3. That the amounts standing to the credit of depositors in the Post Office Savings-bank on 31st May last was the record sum of £63,960,000.

4. That export values reached the record total of £71,200,000.

5. That the favourable balance of trade available for interest payments, debt reduction, and other charges was the record amount of £23,300,000.

6. That the Public Accounts for the fifth year in succession showed a surplus, that for last year amounting to £1,726,000.

7. That agreement has been reached for the sale of the major portion of our primary production to the United Kingdom Government.

8. That it has also been agreed that any loss on reserve stocks of commodities which are unshipped shall be divided equally between the United Kingdom and the Dominion Governments.