

14,000,000, ham 7,800,000, beef 46,800,000, bacon 15,400,000, beef (corned) 8,100,000. The value of these items in New Zealand currency is £6,500,000. The additional £2,500,000 comprises such items as cereals, vegetables (fresh and canned), fresh fruit, cheese, jams, sauces, and pickles.

**War Expenses  
revenue.**

The estimated revenue of the War Expenses Account includes taxation at the existing rates amounting to £40,000,000, together with the usual transfer of £1,500,000 from the Consolidated Fund and last year's Budget surplus of £4,200,000.

Transactions under the Memorandum of Security Agreement with the United Kingdom Government are estimated at £12,000,000, compared with last year's gross total of £15,400,000. The reduction is due, as I have already indicated, to the fact that we have now paid for the cost of the initial equipment supplied to our Forces.

The principal item under the lend-lease heading of £40,000,000 is the provision of aeroplanes, while oil fuel, equipment, and supplies for the armed Services and other essential purposes account for the balance.

The war expenses programme for the current year, on the basis of the estimates I have already quoted, shows a deficit in the provision of funds of £50,000,000.

**War loans, 1943.**

It is proposed to finance this deficit to the extent of £10,000,000 from departmental funds estimated to become available for investment, leaving £40,000,000 to be raised by public war loans, including national savings. In view of the necessity to obtain this huge amount to finance our war effort I have to announce that a third liberty loan for an amount of £35,000,000 will be open for subscription as from Tuesday next, 1st June. It is anticipated that the balance of £5,000,000 required can be obtained later in the financial year through over-counter sales of stock or advance subscriptions to the next loan.

This war loan will be on the same basis as its predecessors—namely, interest at 2½ per cent. on the short-dated securities maturing on 15th June, 1947–49, and 3 per cent. for the longer-dated securities maturing on 15th December, 1953–56. The loan will be issued at par and will close on the 10th July, 1943.

**National  
Savings.**

To meet the needs of all classes of investors various methods of subscription have been provided. In the first place, payment in full may be made with the application and interest will accrue from that date. A second method is £30 per cent. on application, £30 per cent. on the 25th August, and the balance of £40 per cent. on the 6th October, 1943. The third method, and in this a new feature has been introduced, is for subscribers to pay £30 per cent. on application and £10 per cent. on the 11th August and the 11th of each succeeding month up to and including 11th February, 1944. To enable persons with small means to assist, the National Savings Scheme has been incorporated in the loan programme. Under this scheme anybody may buy £10 and £1 bonds, which will return £11 7s. 6d. and £1 2s. 9d. respectively in five years. Contributions to existing National Savings Accounts or to new accounts opened for the purpose will materially assist the loan, especially if contributions are made weekly or monthly over the next few months according to the means of the contributor. Experience in this and other countries has already demonstrated what huge amounts can be obtained from the aggregation of small regular savings.

I cannot stress too strongly the necessity for all to contribute to these loans to the fullest extent possible. All will agree that we owe it to our armed forces in the several theatres of war in which they are engaged to see to it that they are supplied with the sinews of war to the limit of our resources. This objective can be achieved only by either taxation or investment in war loans. The war activities themselves have necessarily resulted in additional spending-power in the Dominion and if an attempt were made now to apply such extra spending-power to a declining supply of goods and services available for civilian consumption it is clear that serious economic difficulties would result. To invest in war loans and savings is not only directly assisting in bringing the war to a victorious conclusion, but is providing the investor with funds which will be available to him when the peace is won and adequate supplies of goods and services are again available.

The comparatively small number of investors in past war loans points to the generally accepted idea that such loans are applicable only to the large institutions or to individuals with substantial sums to invest. The demands of war, however, alter these conditions very materially. As the free capital at the outbreak of war