

In accordance with legislation passed during last session, a War Expenses Account has been established, to which is credited the special war taxation that has been imposed, and against which are charged the various costs and expenses resulting from the war. It is satisfactory to record that a substantial amount has also been received into the account from the public in the form of donations or loans free of interest, and these will be of material assistance to the Dominion's war effort.

Further measures will be submitted to honourable members with a view to meeting the abnormal expenditure consequent upon the war.

HONOURABLE GENTLEMEN OF THE LEGISLATIVE COUNCIL AND MEMBERS OF THE HOUSE OF REPRESENTATIVES:—

The war, which for a lengthy period was comparatively passive, has within the last few weeks taken a most active and, indeed, critical form. The full fury of the attack on freedom, democracy, and international order and justice, which has been in preparation by Nazi Germany for so many years, has now been directed, firstly, against peaceful neutral Powers—Norway, Denmark, Belgium, and the Netherlands—who had given no provocation whatever for the violent and treacherous attack that was made upon them, and then upon the French and British armies, fighting in France and the Low Countries. As had always been expected, this long-prepared assault has proved to be a weighty one.

An entirely new situation has arisen. My Ministers have already made arrangements to increase, by concentrated training, the efficiency of the Territorial Force as rapidly as possible, and have also made provision for the arming and equipping of those members of Class II of the National Reserve who, as returned soldiers, had long-since proved their courage and patriotism and who had so enthusiastically responded last year to the call made by my Government for their enrolment in a special force for local defence.

My Advisers are confident that they are acting in consonance with the wishes of all the people of this Dominion—Maori and Pakeha alike—when they take this opportunity to reaffirm their unaltered, and unalterable, determination to afford to the common cause every possible assistance within the power of this Dominion, and to prosecute this struggle against the rule of force and evil until the final victory, of which they are entirely confident, is attained.

It is for this reason that my Ministers propose to lay before you during this session a measure, on the lines of that adopted in the United Kingdom, placing at the disposal of the State, for the duration of the war, all the resources of the Dominion in persons and in property.

The successful prosecution of the war must, in existing circumstances, be their single aim, and they propose to invite the co-operation of representatives of the Opposition Party in Parliament, of primary and secondary production, and of labour, in order that every section of the community may have representation in the conduct of the Dominion's war effort. My Advisers trust that in this way, by bringing into a common pool for one sole object—the attainment of victory—all the resources, all the knowledge and all the power of the community, they will be taking the most effective measures in their power to obtain the maximum of efficiency and co-operation and to hasten the end of this conflict into which we have been forced in defence of all we honour and hold dear.

At this testing hour of trial I pray God to watch over your deliberations and to guide them in wisdom and justice.

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By Authority: E. V. PAUL, Government Printer, Wellington.