

We have been most happy to welcome to the Dominion, in large numbers, the members of United States armed forces, whose relations with our own people are most cordial and whose exemplary behaviour has earned our warmest admiration.

The people of the Dominion have met the demands of war with a spirit worthy of the highest commendation, and my Government are most appreciative of the efforts of all sections of the community, in the armed forces and in the various subsidiary war efforts, in industry, in agriculture, and in ordinary civil life. My Ministers feel that the war effort of the Maori race has been especially praiseworthy. Organized and controlled by the Maori people themselves, through their own leaders, in accordance with their own customs and traditions, their response has been magnificent, and their pakeha comrades fully share their pride in the world-wide renown for courage and the highest fighting qualities that the Maori troops have so gallantly won.

The marked improvement of the position in the Pacific, and the necessity, for essential war purposes, of maintaining to the full the production of the Dominion, seem to my Advisers to indicate the desirability of some readjustment of the measures that they have, up to the present, considered it necessary to take for the local defence of New Zealand. This matter is now receiving their close and earnest consideration, and their proposals in this connection will be laid before you for discussion during this Session.

My Advisers are devoting special attention to the difficult and intricate problems that will be involved in the rehabilitation into civil life of the men of the armed forces. Their proposals in this connection are well advanced and they are confident that they will be able to meet all requirements as they arise with due regard to the generous treatment of discharged soldiers, sailors, and airmen, and without dislocation of the economic life of the Dominion.

My Ministers have devoted considerable care and attention to the question of stabilization, and comprehensive measures have been adopted towards the attainment of this end.

MR. SPEAKER AND MEMBERS OF THE HOUSE OF REPRESENTATIVES,—

Until it ends in complete victory for the United Nations, the war must continue to absorb an ever-increasing proportion of the Dominion's resources. For the purposes of New Zealand's total war effort, and for local defence, the Dominion is receiving from the United States of America, in large proportions and on lend-lease terms, weapons, equipment, and other supplies which cannot be produced in New Zealand. For our part we are rendering to the American forces in the Pacific as much aid as is within our power in the form of foodstuffs, primary products, services, materials, and labour for construction. These efforts are reflected in the Dominion's war finance, which now absorbs more than half of the national income, a burden which must inevitably increase. The aim of my Government is to finance war expenditure as much as possible from current revenue, and up to the present approximately half the cost has been met in this way.

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

It is the intention of my Ministers during this session, which they feel should be confined in present circumstances as far as possible to war measures, to transact only such business as is essential, among which will be included a revision of the legislation relating to war pensions and measures to facilitate the success of their proposals for promoting the rehabilitation and economic security of returned servicemen. It will be necessary, however, for Parliament to consider, among other matters, the desirability of holding a general election this year, and the views of my Advisers on this matter will be placed before you in due course.

In all your deliberations I pray that God may be your guide to the lasting benefit of the Dominion and the advancement of the cause for which we fight.