

notes amounting to £1,080,000 were issued to the United Kingdom Government, representing advances under the exports credits scheme. The balance of the net increase—namely, £16,857,264—was raised in New Zealand.

The magnitude of the financial programme with which the Dominion is now faced must necessarily involve the co-ordination of the various national activities and generally the mobilization of all our resources.

**Finance
Emergency
Regulations.**

To this end the Finance Emergency Regulations empower the Government to control the flow of capital and to direct financial resources generally from uneconomic purposes to investment in activities where expansion is urgently required. Authority is also taken for the Government, through the Reserve Bank, to acquire at current market prices, overseas securities held by New Zealand residents, in order that the whole of the Dominion's financial resources may be made available in the national interests. The Government look for the fullest co-operation and assistance from all concerned. The scene is changing so rapidly that only by the utmost goodwill on the part of each and every one will the machinery be enabled to function satisfactorily.

We are passing through perilous times, when the very existence of our Empire is being threatened as never before. It has been said that the darkest hour is before the dawn, but we have confidence that the cause of truth and justice will ultimately prevail and that the democratic institutions of the world will survive the purging fire of the forces of oppression.

This Financial Statement omits special references to exports and imports, exchange control, and import selection, and other relative subjects which affect the economy and finance of the Dominion.

Information on these matters will be found in the various tables of this Statement and in the reports presented to the House and to the country. Should further information be required it will be supplied if it is available. The Statement has dealt almost exclusively with war finance and its effects on our economy.

It conveys the financial side of the picture only—an important side—but not the most important which is work and production; work for all—hard work, sustained work—to make or produce the commodities essential for our kindred overseas and for our people in the Dominion. In proportion to our population we can, I believe, make the greatest contribution to winning this war, but it can be made only by work.

The spirit of work on the farms, in the factories, on the waterfront, and in public and other services is developing as understanding of the issue grows. We are creating more goods and providing more efficient services than at any period in our history. There is still much to do. We must keep our people employed on productive work and organize and utilize all possible resources of the Dominion; utilize them to help the Motherland by sending her every ounce of products she requires. Maximum exports and minimum imports are the best contributions we can make during the war years to assist the United Kingdom and carry our share of the common load.

Every policy must be subordinated to the war requirements, but peace will come—our soldiers will return—and we must prepare for them. In the meantime work and service are the test, and till the present struggle ends will remain the test. We must give all.

Saint Ignatius Loyola, who lived more than four centuries ago, sums up the spirit that should—nay, must—animate all our men and women to-day if we are to come through this conflict victorious.

The spirit is—

To give and not to count the cost,
To fight and not to heed the wounds,
To toil and not to seek for rest,
To labour and not ask for any reward.

My statement ends on that note. If we and our people can catch the spirit of Loyola, our actions will not only help us to save ourselves but enable us to contribute our share to the saving of the British Commonwealth, the other English-speaking countries, and the great democracies of Europe which are now crushed under the heel of the invading oppressor.