

proposed to continue this procedure, so that the surplus on the year's working and any part of the opening balance not already committed, will be transferred to Loans Redemption Account.

National Savings

National Savings continue on a sound basis. Until world supplies of consumer goods and production in this Dominion together provide sufficient commodities to meet the needs and demands of the community, it is well that these savings should continue at a high level. It is not only desirable but essential to a stabilized cost of living that excess cash over and above that required for normal living-expenses should continue to be saved and invested in National Savings. Further, as these moneys will be assisting our rehabilitation programme, those who continue to lend through National Savings, besides building up an asset for themselves in future years, can feel that their money is doing a worthwhile job in the meantime.

Lend-lease Settlement

An agreement was recently signed in Washington concerning settlement of lend-lease and reciprocal-aid transactions between New Zealand and U.S.A. Governments. It provided that in recognition of the benefits mutually received by the two Governments from the interchange of lend-lease and reciprocal-aid goods and services supplied during the war, no payment would be required of either country, and that consequently all obligations arising from lend-lease and reciprocal-aid transactions were to be cancelled.

Bold in its conception and generous in its application, lend-lease has been one of the most successful factors in the winning of the war. In 1941 when President Roosevelt announced the granting of lend-lease assistance, the Empire pool of dollar funds had reached a very low level, but with the new facilities offered, the stream of munitions, essential industrial materials, and foodstuffs was continued on an ever-increasing scale.

It is difficult to gauge in terms of money, all the assistance given by each country to the other, but taking goods returned or returnable, the difference in price levels and all other factors into account, it was agreed that lend-lease and reciprocal aid reasonably balanced one another.

The cancellation of all obligations concerning lend-lease and reciprocal aid is a mutually satisfactory arrangement for both countries, and it permits an approach to post-war international problems without any financial or other commitments as between the U.S. and New Zealand Governments.

In conjunction with the lend-lease and reciprocal-aid settlement, arrangements were concluded for the purchase by New Zealand Government of U.S. surplus war property to a total value of approximately 5,500,000 dollars. The bulk of this equipment came from the