

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

The passing of the Social Security Act last session brought into being the machinery for the inauguration of the most comprehensive scheme of social insurance so far attempted in any British country, providing on a contributory basis for the contingencies of unemployment, old-age, widowhood, orphanhood, sickness, and invalidity, as well as for the supplementation of the incomes of breadwinners where this is necessary. The whole of the monetary benefits provided for in the Act were made available from 1st April last. Maternity Benefits have been made available since 15th May last, and following the inauguration of Hospital Benefits on 1st July next arrangements will be proceeded with for bringing into operation the Medical Benefits, under which general medical practitioner services will be available, and Pharmaceutical Benefits, under which will be available medicines, drugs, materials, and appliances.

With the adoption of the procedure of import selection within the system of import control, my Advisers have decided vigorously to encourage the development of secondary industries with a view primarily to facilitating a more balanced economy in the Dominion. The need for such a policy has been accentuated during recent months by the threat of war overseas and the possibility that, should such an eventuality unfortunately arise, New Zealand may find difficulty in obtaining supplies of manufactured goods, the lack of which would not only tend to disorganize our economic life but would render the Dominion less able to undertake its share of the responsibilities of the British Commonwealth. A wide range of opportunities has now been provided for industrial expansion, and it is very gratifying to my Ministers that the efforts of local manufacturers to supply the Dominion's requirements have proved so successful. Existing manufacturing units have enlarged their productive capacity by the installation of additional plant and machinery and by the employment of many more workers, and many have expanded the range of their products. Overseas manufacturers have, in many cases, made arrangements for their goods to be made locally; some have erected their own factories, and others have arranged for existing manufacturing units to make their products. Definite progress has been made with the rationalization of a number of trades and industries during the past year under the provisions of the Industrial Efficiency Act, 1936, and there are now twenty-one industries subject to the licensing provisions of this Act.

During the year my Ministers have closely watched movements in prices, and have paid particular attention to those items which figure largely in the household expenditure of families. While the control measures adopted have exercised an effective influence, experience has indicated the necessity for some adjustments to the machinery available, and accordingly my Ministers have established a Price Investigation Tribunal, with powers of judicial inquiry, to make detailed investigations.

Employment in the Dominion continues at a high level. The upward movement in the number of registered factories and in the number of factory workers is still being maintained, the figures reaching a new record level, and the development of manufacture has actually created a shortage of skilled employees in certain industries. My Advisers are continuing their efforts to arrange for employment of a useful nature for all fit unemployed persons, and with this end in view all possible steps are being taken to encourage the absorption of labour in secondary industries and in productive work on the land. It is also the intention of my Ministers to give every encouragement to the development and settlement of unused areas of land in order to stimulate as far as possible the primary production of the Dominion, and to that end attention is being given to methods of land clearance by modern machines.

My Ministers have again arranged for New Zealand to take part in the International Labour Conference which opened at Geneva this month. On this occasion my Government are represented by my Minister of Lands.