

The mining industry continues to play an important part in the life of the Dominion, and it is anticipated that the current year's workings will result in an increase in gold-production. It is pleasing to record that as a result of the special legislation passed in 1937 the search for petroleum oil in the Dominion is being vigorously prosecuted in several districts.

Widespread activities in connection with public works have been continued throughout the past year. Substantial progress has been made towards the completion of many major projects, including the construction of new railway connections, of aerodromes, and of irrigation schemes, and a wide programme of road-work. Roading facilities for settlement purposes have been improved by the construction of bridges and the extension of metalled access in isolated localities.

The necessity for my Government's housing programme and the widespread approval of the measures taken to cope with the serious shortage of dwellings are strikingly demonstrated by the numbers of applications received for State rental houses. Up to the present date tenders have been called for some 8,000 houses, 6,200 have been actually commenced, and of these, 3,800 have been completed and are in occupation.

The policy of granting advances on favourable terms to borrowers requiring finance for the purpose of erecting houses for themselves has been continued during the past year, and it is pleasing to record that the business handled by the State Advances Corporation in this branch of its organization has shown a steady increase. For the twelve months just closed 2,123 new building loans for a total amount of £2,062,275 were granted, and the number of applications on hand and inquiries received show evidence of continued activity in this sphere of the country's progress. My Government, in their efforts to create a better balance between primary and secondary industries, are not overlooking the need of improving conditions within each of those main divisions of our economic life, and proposals are now in course of preparation whose object will be to facilitate not only the improvement of farm lands, but also the raising of the standard of housing available both to farmers and to their employees. The latter aspect of the proposals in contemplation represents an important new phase in State assistance to farmers.

The agricultural and pastoral industry has been adversely affected by unusual seasonal conditions which have extended over practically the whole Dominion and which have been reflected in the diminished yield of the farming industries. These unfavourable conditions, added to lower overseas prices, have given rise to problems which it has been the duty of my Advisers to consider, and a Commission of inquiry is being appointed to investigate all aspects of the sheep industry. With a view to overcoming troubles among our flocks and herds and the lessened fertility of our soils, my Government have authorized new and extensive measures for the furtherance of scientific research and instruction in agricultural problems, and a fully co-ordinated investigation of the relationship between the quality of the soil on the one hand and of plant and animal health and the quality of primary products on the other will be undertaken.

The work of mortgage adjustment, including the disposal of all appeals lodged against the orders of Adjustment Commissions, has been completed during the year. A total of 34,602 applications were dealt with, and the concessions granted under the Mortgagors and Lessees Rehabilitation Act, 1936, amounted to more than £9,500,000. Of this sum over £8,200,000 was in respect of farm applications.

The vigorous school-building programme, which has been a feature of my Government's administration, will be pressed forward strongly, as will also the policy of consolidation of schools and the provision of transport to enable country children to receive an education equal to any given in the towns. A new salary scale for primary-school teachers, introduced since last session,