

butter, cheese, wool, and other primary products of the Dominion, all of which have been placed at the disposal of His Majesty's Government in the United Kingdom. The arrangements thus made are capable of considerable expansion as circumstances may require. My Ministers, with this object in view, have taken steps to encourage production to the fullest extent, and, in order to meet the situation created by the withdrawal of men to the fighting services from commerce, industry, and agriculture, they have arranged for the preparation of a National Register of Man-power, and have established District Councils with the object of ensuring an adequate supply of labour for purposes of public necessity. In this connection it is recognized by my Ministers that further reductions in the number of men employed on public works are essential if necessary labour requirements are to be fully met, and steps are being taken accordingly.

My Ministers have established a substantial organization to deal with questions of supply, including the raw materials and other commodities necessary for the industries of the Dominion, as well as many of the requirements of the armed Forces. Steps have been taken also to control the consumption of petrol, with the object of eliminating wasteful expenditure of a commodity vitally necessary in time of war, and at the same time conserving foreign exchange which is essential to facilitate the purchase of materials required for the Allied cause.

I am happy to say that the provisions made by my Government for controlling the collection and expenditure of public contributions for the purpose of providing comforts, amenities, and relief for the members of the armed Forces have proved effective, and the organizations established for this purpose are performing a most useful function in ensuring the efficient and economic administration of the large sums so generously subscribed by the public.

Notwithstanding the outbreak of the war, the one-hundredth anniversary of organized settlement and government in New Zealand was celebrated with enthusiasm throughout the Dominion. The National Centennial Celebrations at Waitangi and Akaroa were successful in a marked degree not only as historical and commemorative functions, but as a means of cementing the national spirit so vital to the country at the present time and of strengthening the determination of our people to defend and safeguard their inheritance.

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

Exports for the year ended 31st March, 1940, amounted in value to £59,643,000, an increase of £1,776,000 as compared with the previous year, and exceeded only in the years 1937 and 1938. Imports for the year ended 31st March, 1940, totalled £45,571,000, compared with £54,408,000 for the previous year, a decrease of £8,837,000. This substantial decrease is attributable, firstly, to my Government's import selection policy—a policy designed to ensure that the Dominion's overseas funds are utilized according to the relative importance of the demands for goods and services—and secondly, to the physical difficulty of obtaining imports, which is the result of war conditions. In giving effect to the policy of import selection, preference is given, where possible, firstly, to goods of United Kingdom origin; secondly, to goods from other parts of the British Commonwealth; and, thirdly, to goods from other countries within the sterling area.

The public accounts, which reflect very intimately the economic conditions within the Dominion, closed with a surplus of £319,000, full details of which will be given to honourable members during the present session of Parliament. This surplus was achieved, notwithstanding the extra expenditure incurred as a result of the introduction of Social Security benefits.