

countries of the British Commonwealth and with the Government of the United States of America, the New Zealand Army group of the British Commonwealth Occupation Force in Japan is being reduced to a strength of 2,400.

The devastation and acute shortages resulting from six years of large-scale warfare have placed in jeopardy the lives and well-being of many millions of human beings. New Zealand is a member of several international bodies which are co-ordinating the work of individual nations in alleviating the desperate plight of many countries and people. Parliament will be made aware of the work of many of these bodies—such as the International Refugee Organization and the International Children's Emergency Fund—and practical proposals will be made by my Government of ways in which New Zealand can make the most effective contribution to the attainment of their ends.

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

During the financial year which ended on 31st March the public revenues were buoyant, and the accounts closed with a surplus of £4,611,000. Benefits distributed from the Social Security Fund amounted to £36,121,000, which was £1,000,000 more than had been anticipated in the Budget.

Legislation was enacted last year to effect a reduction in income-tax and sales-tax. Further relief was accorded taxpayers this year by the elimination of the remaining 6d. in the pound of national security tax, and the necessary legislation to validate this reduction will be introduced during the present session of Parliament.

In recognition of the enormous burden that the United Kingdom carried throughout the war and is continuing to bear in the post-war period, a gift of £12,500,000 was made to His Majesty's Government in the United Kingdom as a token of New Zealand's appreciation of the magnificent effort of the British people in safeguarding the freedom of mankind. A grant of £250,000 was also made to the fund initiated by the Lord Mayor of London for the alleviation of distress caused by the recent disastrous floods in Britain.

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

It is gratifying that New Zealand is making a substantial recovery from the economic dislocations of the war.

The success of the rehabilitation scheme gives special satisfaction. Ex-servicemen and ex-servicewomen have had the widest opportunities to secure remunerative employment. Over 11,500 ex-servicemen have availed themselves of the trade-training scheme. In addition, 3,251 ex-servicemen have wholly or partly completed training as farmers.

My Government's land-settlement proposals are designed to place at least 9,000 ex-servicemen permanently on the land. 3,893 ex-servicemen have acquired farms of their own with rehabilitation finance. For the settlement of ex-servicemen the State has so far acquired or set aside 742,000 acres of land.

Over 25,400 ex-servicemen and ex-servicewomen have received grants to assist them with their education. Already 21,000 houses have been provided for ex-servicemen, and financial provision has been made for a further 4,600 houses. Of the 186,000 ex-service personnel registered with the Rehabilitation Department over 132,000 have, so far, received some form of assistance. The total outlay for rehabilitation now amounts to just on £51,000,000.

In the primary industries there has been a notable achievement. The previous season's output of meat, which was a record, is, on preliminary evidence, likely to be surpassed in the current season.