

Though difficult for certain types of products, seasonal conditions have greatly benefited the dairy industry. Up to the end of February the volume of dairy production was 7 per cent higher than for the corresponding period of 1951-52. In each of the last three seasons previous records for the dairy industry were broken, and a new record is already in prospect.

The favourable financial situation in the Consolidated Fund enabled the Government last Christmas to arrange a special bonus payment of £5 for single persons and £10 for married couples within certain classes of age beneficiaries and war pensioners. A similar bonus payment will be made by the Government this coming Christmas, but at the rate of £10 for single persons and £20 for married couples.

Special funds have also been set aside to assist social security beneficiaries and war pensioners to meet extraordinary expenditure which cannot be regarded as coming within the usual living costs.

As a result of my Advisers' decision to refrain from raising loans for Government works, more moneys were available to meet the capital requirements of local authorities and industry. My Government proposes to pursue its policy of reducing taxation, in line with the very considerable concessions made in this field since 1949. Demands for schools, houses, roads, land development, and electric power, so essential in a young and growing country, seriously limit, however, the extent to which further reductions can be contemplated.

Estimates of expenditure will be placed before you for your consideration in due course.

The building of houses continues to be a major concern of my Government. Applications by tenants for the purchase of their State rental houses continue at a satisfactory level, and the sale of the seven-thousandth rental house was recently completed. The total value of these sales now exceeds £14,500,000.

In accordance with my advisers' policy of transferring to the various producer organizations a greater measure of responsibility for the marketing of the products of their industries, the Meat Board will conduct the price negotiations with the United Kingdom Government for the 1953-54 meat season. Discussions with the United Kingdom Ministry of Food on the long-term marketing policy for meat will, however, be conducted by the Government.

My Ministers have taken further steps towards restoring to private or producer control the marketing of primary products. From December of this year the Apple and Pear Marketing Board will be responsible for the distribution of apples and pears. The New Zealand Poultry Board will set up its own marketing organization and become responsible for the administration of the Egg Marketing Regulations. The necessary empowering legislation will be submitted to you during the current session. The remaining marketing functions, though important, do not justify administration by a separate Department of State, and have, therefore, been assumed by the Department of Agriculture.

A further advance in the development of the country's hydro-electric resources was made towards the end of last year when the first generators installed at Maraetai were brought into operation. It is anticipated that this station will be working at full capacity of 180,000 kilowatts by about a year from now. Other hydro-electric power stations are in the course of construction or extension throughout both North and South Islands, while plant has been imported for the investigation of the deeper-seated sources of geothermal steam as power for the generation of electrical energy.

The availability of overseas materials and the improvement in the labour situation will permit an active programme of public works to be maintained.

Special attention has been given to questions affecting the welfare of the Maori people, and a record number of houses has been erected under the Maori Housing Scheme during the past year. Most