

Progress has also been maintained in the development of Crown lands for farming purposes, particularly in the North Auckland and Rotorua districts. Further financial assistance to enable farmers to bring undeveloped or partly-developed land into full production has been provided under the Marginal Lands Act 1950. The extensive research programme in respect of soils, pastures, and field crops is being maintained.

Rapid progress has been made in establishing a new pulp and paper industry to ensure the economic utilization of our softwood resources and add another primary industry to our economy. The construction of the necessary mills and ancillary services is so advanced that production will commence next year.

The products of our manufacturing industries are not only meeting our own requirements to an ever-increasing extent, but are assuming an important place in our export trade. My Government is co-operating with these industries in finding markets overseas, and, as a means to this end, arranges participation in industrial fairs and exhibitions whenever this is practicable.

A recent development having considerable significance for this country has been the withdrawal of the United Kingdom from partnership in the operation of the trans-Pacific and trans-Tasman air services linking New Zealand with North America and Australia respectively. As a consequence it has now been agreed that the trans-Pacific air service should be operated by Australia alone, whilst the service across the Tasman and a feeder service linking New Zealand with the trans-Pacific service at Fiji will be operated jointly by Australia and New Zealand. My Government has reserved the right to operate an independent service to North America, but feels that for the present the new arrangement will make for greater economy and efficiency without jeopardizing the interests of this country.

Among the railway works now under construction the most important undertaking which has been pushed ahead during the year and now nears completion is the tunnel through the Rimutaka Range. This will assist materially in the development of the Wairarapa district, from which such a large proportion of our primary production is derived. It will provide also an additional traffic outlet for the Hawke's Bay and East Coast area.

Substantial improvement in the country's roading system is expected to attend the establishment of the National Roads Board set up in pursuance of legislation passed last session. Local authorities will enjoy more direct control over the expenditure of moneys on roading within their areas and in matters of technical design and construction. The representation of a wider range of interests which the constitution of the Board permits, including for the first time municipal and industrial transport associations, will make for greater economy and efficiency in the construction and maintenance of the many and varied roads under the Board's control.

The sharp increase in the toll of road accidents accompanying the rapid expansion in motor traffic has been causing my Government grave concern. It is satisfactory to record, however, that, partly as the result of new and somewhat novel measures which my Minister of Transport has taken, the rising casualty rate on the roads has not only been halted, but has, more recently, been kept below the figures of some pre-war years, when the volume of road traffic was about half the present level.

In the matter of communications, substantial improvements have been made in the telephone and toll system, and at the same time the services have been expanded to meet the growing demand throughout the country. Further extensions to these services are in hand at the present time.