

consequent saving in dollars and improvement in sterling funds. The speed at which the vast undertaking has been built and the energy and enthusiasm of all those working on this project merit the highest commendation of the people. Records have been broken in many fields. These comments apply equally to the forestry work, the railway construction, and the harbour works at Mount Maunganui.

My Government has also made considerable progress with the project to exploit geothermal energy in the production of electricity and heavy water. In addition, the development of our resources of hydro-electric power has proceeded steadily in spite of difficulties in obtaining sufficient man-power for designing and construction work. Work on the extensive hydro-electric scheme at Roxburgh, after a somewhat difficult beginning, is now proceeding at record speed, and there are indications that power will be available before the contract date.

My Ministers realize the value of a steadily growing tourist traffic from overseas, and steps are being taken to encourage the development of this industry. You will be asked to consider a Bill establishing a State Hotel Corporation, which will take over hotels at present owned by my Government and give further impetus towards the improvement of tourist facilities throughout the country.

My Advisers are fully aware of the importance to New Zealand of efficient transport and communications services. The modernization of our railways system is making steady progress, and up-to-date rail-cars and diesel electric rolling stock are continuing to arrive from overseas.

The new roading administration set up by my Government has led to greater co-operation between local authorities, road users, and the Government in the progressive development of our roading system to cope with the increasing weight and density of modern traffic. Special financial assistance has already been made available to local authorities in cases where the improvement of local roads would otherwise have been held up. You will be asked to consider a Bill to alter the constitution of the National Roads Board.

Following the reorganization of our external air services, the operation of the trans-Tasman service has become the sole responsibility of the Australian and New Zealand Governments. This service is now operated by fast, modern land planes in place of the flying-boats which served our country so well for many years. The reorganization of both the National and Tasman Airways systems has resulted in their operations being conducted on a profitable basis instead of being a heavy burden on the taxpayers. There is considerable interest overseas in the work being done in New Zealand in using air transport as an aid to primary production, particularly by way of aerial topdressing.

The volume of traffic passing through our postal services is always a sensitive barometer of economic conditions, and this, at the present time, is at a record level. My Ministers are considering plans for the improvement of postal facilities and of our telephone system.

Full employment has been maintained, and, indeed, the demand for labour remains in many cases unsatisfied. Industrial relations have been excellent during the past year, and there have been no major industrial disturbances. You will be asked to consider a Bill revising and consolidating the Shops and Offices Act and incorporating proposals dealing with safety, health, and trading hours. Measures to consolidate the Workers' Compensation Act and to amend the Tenancy Act in the light of present-day conditions will also be introduced.

My Ministers have continued to pursue a vigorous policy aimed at the provision of adequate housing. The record number of homes built during the past year is a reflection of the special encouragement given to those concerned with the building and financing of houses. The indications are that about 18,000 new houses will be built during the present financial year.