

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

The results of the financial year ending on the 31st March last have been very satisfactory. The surplus of actual revenue over expenditure was £1,150,000. Part of this surplus has been utilized to reduce the public debt, and £500,000 has been transferred to the Public Works Fund. My Ministers are of opinion that, in view of the general financial and commercial outlook, every economy will require to be exercised this year, and that it would be unwise to make further reductions in taxation in view of the probability of a substantial fall in the revenue.

My Ministers, with a view to providing for any possible reaction in the public finance of the Dominion, have arranged for a special Committee to investigate and report as to what measures may be taken in connection with economy and control of expenditure during the current financial year.

In order to furnish further capital and overtake arrears of advances to settlers, subscriptions were invited to a 5½-per-cent. loan for this purpose. I am pleased to state that the amount of £5,000,000 which was received will enable the desired result to be obtained. A loan of £6,000,000, issued at £98 10s., for 5 per cent., has been successfully floated in London for purposes of development and for the furtherance of the productive power of the Dominion.

The impending changes in the conditions relating to goods entitled to preference under the Customs tariff, referred to last year, were brought into operation at the beginning of the year. I have every reason to believe that these changes will, on the whole, promote increased employment of labour within the Empire without adversely affecting the revenue.

Legislation dealing with finance and the annual taxing provisions, and amendments of the existing law relating to public revenues, local bodies' loans, and National Provident Fund will be submitted to you for consideration.

Information is now being collected for the purpose of preparing legislation to assist people with large families and small incomes, and it is hoped that a Bill dealing with this important matter will be presented to Parliament.

Members will also be asked to consider various proposals dealing with industrial and social legislation.

The importance of finance to the farmer and settler has been the subject of special attention, and in September last I appointed a Commission to investigate conditions regarding rural credits and agricultural banks operating in other countries. The Commission has almost completed its inquiries, and its report will be duly laid before you.

The subject of agricultural education has been engaging the attention of my Ministers, who are impressed with the need for a greater extension of scientific farming methods among our primary producers. Proposals for the establishment of a central agricultural college, for the development of farm training schools for lads, and for increasing the number of agricultural instructors throughout the Dominion are at present receiving earnest consideration, and legislation, where necessary, to give effect to these proposals will be laid before you.

The question of closer settlement is engaging the attention of the Government. The gradual reduction of land values to a basis giving a greater measure of stability has enabled my Ministers to purchase areas for subdivision.

Satisfactory progress is being made in connection with irrigation schemes, particularly in Otago. By this means, large tracts of country, otherwise unproductive, are being made available for settlement.

Legislation will be submitted dealing with the settlement of pumice and gum lands.

In the opinion of my Ministers some further supervision should be imposed over borrowing by local authorities, and a Bill dealing with the question will be introduced.