

development of farms and the erection of dwellings. During the six months ending 10th June last no less than £3,620,240 has been authorized by the State Advances Board in loans to settlers and workers.

The State superannuation funds — namely, the Public Service, the Teachers', and the Railways Funds—established many years ago, have undergone during recent years changes which have had a somewhat adverse effect on their actuarial stability. The position disclosed clearly indicates that immediate steps will require to be taken to restore their financial status, and proposals in this regard will be duly submitted for your consideration.

Realizing existing anomalies in motor taxation, and also the part that transport plays in the industrial, commercial, and social life of the community, my Government have constituted, for the first time in New Zealand, a Department of Transport, presided over by a Minister of the Crown and assisted by a Transport Advisory Council composed of practical men. The recommendations of this Council will, my Ministers believe, result in beneficial changes being made, by which adjustments in taxation can equitably be brought about. A Bill providing for the establishment of the Department of Transport will be placed before you.

In order to facilitate the administration of the Main Highways Act, it is intended to submit amending legislation making provision for the setting-up of a Highways Board for the North Island and the South Island respectively.

With the general improvement of main highways and roads, the competition of motor traffic with the railways must inevitably result in diminished revenue to the State, and, recognizing this fact, my Government, as a matter of policy, intend in the future not to construct short branch railways to feed main lines, but to regard good roads in such cases as being the proper feeders to main lines in order to meet the needs of settlers.

The question of the welfare of the wheat industry is one which is deserving of your earnest attention. It is of primary importance that the Dominion should as far as possible produce sufficient wheat for the requirements of the population, and not be dependent on outside sources of supply. My Ministers, therefore, propose to ask you to set up a Select Committee to go into this subject and to submit recommendations which, it is confidently hoped, will result in placing the industry on a sound economic basis which will be satisfactory both to the growers and to the consumers.

As you are aware, a Select Committee was set up last Session to revise the Standing Orders, particularly relating to their bearing on the hours of sitting of the House of Representatives. In the recess the Committee has met from time to time, and on the presentation of their report and recommendations the opportunity of fully considering their proposals and their effect on the conduct of parliamentary business will be afforded.

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

During the recess my Minister of Lands has personally investigated the prospects of further settlement of the undeveloped Crown lands of the Dominion, and, as a result, proposals will be submitted to Parliament for providing finance for the purpose of roading and preparing such lands for settlement, and also for assisting settlers on Crown and settlement lands in the early stages of the development of their holdings.

To meet the keen demand for settlement farms which exist throughout the Dominion, my Government has made several purchases of areas suitable for agriculture or dairying, and these are now in the process of being subdivided and opened for selection.

Much difficulty has been experienced in acquiring suitable blocks, and as it is imperative that closer settlement of the occupied lands of the Dominion should be put into effect, it is proposed to amend the compulsory clauses of the Land for Settlements Act so that they can be applied more effectively.