

statutory authority, an Adjustment Court which will have power to determine questions affecting such rights and liabilities, and to make such orders as seem equitable.

In almost every country the depression in trade and industry existing to-day appears to be unprecedented, and in consequence the problem of widespread unemployment has become more acute. The question of devising a practicable solution has been, and is still, engaging the close attention of statesmen and economists in all parts of the world. In this Dominion it has been possible, under the provisions of the Unemployment Act, 1930, materially to relieve the position, and in co-operation with local bodies and private individuals my Government have succeeded in ameliorating considerably the condition of a large number of persons who would otherwise have experienced great hardship.

The Unemployment Board is making every effort to cope with the problem, and as much work as possible is, in addition, being provided on public works and other State activities. It is evident, however, that increased funds must be placed at the disposal of the Board, and proposals to this end will be submitted for your urgent consideration.

With the great decrease in revenue, my Advisers were reluctantly compelled to impose reductions in the salaries and wages of public servants. The Court of Arbitration similarly decided that prevailing economic conditions necessitated the issue of a General Order reducing the minimum rates of pay prescribed by its awards. General reductions have also been made by public bodies and private employers. My Ministers are confident that the action being taken will result in the retention in employment of a large number of workers who otherwise would have to be dispensed with owing to the substantial reduction in the income of employers and thus swell the ranks of the unemployed. The spirit of self-sacrifice displayed by all sections of the community is commendable.

When I last addressed you I indicated the intention of my Advisers to submit legislation constituting a Board to control the railways, and generally to manage the affairs of the Railways Department in accordance with business principles. Legislation was duly passed; the Board has since been constituted and has now commenced its duties. My advisers are of the opinion that this action will result in improving materially the financial position of the railways and thus promoting the welfare of the Dominion.

The suspension of compulsory military training due to the necessity for a reduction of Defence expenditure enabled many members of the permanent Defence Force to retire on superannuation under the provisions of the Finance Act, 1930 (No. 2). My Advisers have recently approved of the reorganization of the Defence Forces on a voluntary basis. The organization of the Territorial Force will remain on the divisional basis which has proved satisfactory in the past, and will preserve the traditions of the units. It will provide for the training of approximately 10,000 men. In addition, every encouragement will be given to the training of cadets at secondary schools. The Government seek the co-operation of employers in making a success of the new scheme by encouraging their employees to enlist and carry out their training.

An Act was passed last year to promote the re-establishment in civil employment of disabled ex-members of the New Zealand Forces. Unfortunately, owing to the financial position of the Dominion, it was not possible for my Ministers to make arrangements to give immediate effect to the Act, but the necessary machinery is now being set up, which it is hoped will substantially benefit the large number of disabled ex-soldiers who are either wholly unemployed or have no regular employment.

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

The Dominion is still beset with great difficulties arising out of the world-wide fall in prices. As a direct result, notwithstanding the industry of our producers, the value of our exports for last financial year amounted only to £39,527,000, a decline of £17,626,000 in comparison with the financial year