

The work of developing suitable blocks of Crown land prior to selection is proceeding steadily, and in connection particularly with the development of punice land my Ministers are pleased to record that the operations already carried out give every promise of success.

The acquisition of private lands for closer settlement has also received attention, and almost all the subdivisions offered have been selected. A new feature of this policy has been the purchase of estates which afford scope for development work by the State prior to offering the land for selection.

My Ministers are confident that by placing large numbers of settlers on the land and providing reproductive employment for many others a substantial contribution will be made towards alleviating the problem of unemployment.

Satisfactory progress is being made in the development of Native lands. At the end of last financial year there were in active operation schemes affecting twenty areas in both Islands, while preparations were made to commence others affecting eleven areas. The Maori communities concerned have displayed the greatest interest in the schemes, which by providing much needed employment on productive work are assisting large numbers of them during a very difficult period.

Agricultural practice generally in the Dominion is keeping well abreast of modern methods, based upon the world's latest scientific knowledge, and the instructional and advisory services provided by the Government are extensively utilised by farmers in connection with all phases of primary production. It is satisfactory to note that the volume of output has been well maintained.

In connection with the dairying industry the continued fall in the market-price of New Zealand cheese has been receiving the earnest attention of the Government. Research now in progress, and its application, will, it is believed, lead to the removal of major defects in manufacture and to the production of a high-grade quality, which will restore New-Zealand-made cheese to the position which it formerly occupied in the British market. An extended trial has been given in recent years to the manufacture from high-testing milk of cheese of standardised fat content. This has proved unacceptable to buyers, and a strong prejudice has arisen against it. My Ministers consider it desirable that the manufacture of this type of cheese should cease entirely, as being calculated seriously to hamper successful marketing and to alienate the good will of British purchasers.

My Ministers have had under consideration the steps necessary to facilitate the more active development of the Dominion's industries, and their more effective co-operation with the scientific services provided by the State. Proposals for this purpose will be placed before you, including, in particular, provision for a greater measure of specialisation in those Departments responsible for scientific research and for closer contact between both primary and secondary industries which they are designed to assist.

The question of the future prosecution of railway construction work in connection with both old and new schemes has been referred for investigation to the Railway Board, whose reports will be duly laid before you.

The construction of the key stations for the supply of hydro-electric energy to all parts of the country, and their interconnections, will be proceeded with expeditiously, while transmission-lines will be extended as the demand expands.

The ideal of having a road, capable of use under all weather conditions, from the property of every producer to the nearest railway-station or port will still be pursued. While it may not be possible to proceed at the same rate with the programme of improvements which has of late years been followed on the roads, their maintenance, which is necessary to prevent dissipation of capital already expended, will be kept up to the present satisfactory standard.

Irrigation works to serve the regions in the South Island, which cannot be otherwise fully developed and utilised, will be continued, as will also other reclamation works involving drainage and river-control.