

My Ministers have agreed to the proposal that an Empire Meat Council should be established, which would have extensive responsibilities in relation to the regulation of market supplies. Such a body, it is suggested, could watch trends in consumption and recommend to Governments the quantities that markets could absorb. In addition, it is proposed that there should be a larger body—a Meat Conference composed of Empire and foreign suppliers—the functions of which would be confined to those matters in connection with the meat market of the United Kingdom which are of common interest to all supplying countries.

During the last few years a series of measures has been adopted to promote the financial rehabilitation of the Dominion. In pursuance of this policy legislation was enacted during last session setting up appropriate machinery for the purpose of facilitating voluntary arrangements between farm debtors and farm creditors, and otherwise effecting a settlement of the financial difficulties of farmers.

The Court of Review constituted by this legislation is now functioning, and the increasing number of applications being received indicates that the measure is proving effective in the permanent readjustment, on an equitable basis, of the liabilities of rural mortgagors.

Provision was also made last session for the establishment of a national Mortgage Corporation, designed to provide long-term finance on the cheapest possible conditions. The activities of this Corporation, which has now commenced business, will materially alleviate the financial burdens that have been pressing so heavily on a large portion of the community, and should assist in strengthening the financial fabric of the Dominion.

My Ministers' unremitting efforts, extending over several years, to restore budgetary stability resulted last year in a surplus of £1,626,000. Owing to some large receipts of a fortuitous nature the result exceeded all expectations, and provided the means of liquidating a substantial portion of the accumulated deficits from past years. Another beneficial result of the sound financial policy adopted by my Ministers is the satisfactory terms upon which the conversion of a further portion of the public debt, domiciled in London, has been successfully accomplished. The result will be a substantial saving in interest charges.

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

During the recess my Ministers have held preliminary discussions with representatives of His Majesty's Government in the Commonwealth of Australia regarding the trading relations between Australia and New Zealand, and it is anticipated that negotiations will be undertaken at the earliest possible opportunity with a view to a complete review of the existing trade agreements between the two Dominions.

My Minister of Customs took advantage of his visit to the United Kingdom to discuss trading relations with the respective representatives of the Governments of Belgium, Germany, the Union of Soviet Socialist Republics, Sweden, India, and the Union of South Africa, while at a later date a similar conference was held with the President and representatives of Departments of State of the United States of America. These discussions have in general resulted in a better mutual understanding, and it is hoped may lead ultimately to agreements with those countries that will effect an extension of New Zealand's overseas markets.

My Ministers are fully conscious of the desirability of such an extension, whenever possible, and for this reason they have decided to appoint Trade Commissioners for New Zealand in Western America and in Europe. My Advisers are also endeavouring to arrange for improved shipping facilities to the markets of the Far East, and material progress in this connection is confidently anticipated at an early date.

The problem of unemployment is still causing my Ministers grave concern, though it is pleasing to note that there has been a considerable improvement in the industrial and economic position. While the co-operation of local employing authorities is everywhere being enlisted with the object of providing the greatest possible measure of full-time employment, earnest efforts are also being made