

I am happy to say that, since I had the privilege of opening the last session of Parliament, the Dominion has continued to enjoy real prosperity. The prices received for New Zealand's primary products have been generally good, but in the opinion of my Advisers my Government's policy of increasing the purchasing-power of the people, and expanding and redistributing the national income, has been a still greater factor in the economic progress that is manifest to-day. By the policy measures of my Government the national income has been distributed more evenly and more equitably over the whole community, thus on the one hand eliminating the miseries of poverty and unemployment, and on the other hand expanding the national purchasing-power on which our prosperity depends. The general well-being of the whole people is the proper aim of every Government, and in the opinion of my Advisers this has largely been achieved in New Zealand to-day. My Ministers have, however, set themselves the further task of building this new prosperity on more stable foundations than in the past, and they are confident that it is within their power to eliminate the evil effects of those alternating periods of prosperity and depression which have up to the present been such a disturbing feature of economic life.

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

The prosperous conditions of production and finance, with which we have recently been associated in New Zealand, were fully maintained during the past year. Exports reached a total of over £65,000,000 for the year ended 31st March last, the highest figure ever recorded for the Dominion. All previous records of production also were easily surpassed.

The public accounts, which to a large extent are indicative of economic conditions within the Dominion, closed with a surplus of £810,000. These results were attained without any increases in rates of taxation, while the whole of the Dominion's loan requirements for public works and other purposes were obtained without recourse to overseas borrowing.

In conformity with the policy practised in most overseas countries (though in a greater degree) low interest rates have been maintained within the Dominion, and mortgage finance on attractive terms has been provided by the State direct to individual borrowers, while in order to assist local authorities in this connection arrangements have been made to meet their requirements in cases where the local bodies concerned are unable to raise sufficient funds.

My Ministers have been engaged in negotiations respecting trade with a number of countries. As a result of these negotiations trade arrangements have been concluded with the Netherlands and Switzerland, while the trade agreements between New Zealand and Canada and Australia respectively have been revised. It is confidently expected that a substantial benefit to the trade and industries of this Dominion will accrue from these arrangements. With a view to extending overseas markets for this Dominion's products negotiations for trade agreements have been initiated with certain other countries.

During your last session a Select Committee of the House of Representatives was appointed to sit during the recess to consider my Ministers' proposals for social security. The report of this Committee has been presented to my Government and will be laid on the table of the House. My Ministers propose to introduce a Bill insuring the people of this Dominion against the contingencies arising from unemployment, sickness, incapacity, invalidity, widowhood, orphanhood, old age, or other exceptional conditions, by the provision of benefits to compensate them so far as possible for the loss of livelihood thereby occasioned. My Ministers also propose to institute a system whereby the advantages of medical, surgical, nursing, and hospital treatment will be made available to all persons in need of such treatment, and, further, to provide such other facilities as may be necessary to maintain and promote the health and general welfare of the community. My Ministers, in promoting this legislation, aim at utilizing the increased powers of production that have become available to give security to every worthy citizen of this country,