

wives who, owing to their domestic responsibilities, were unable to take advantage of present opportunities for remunerative employment. The allowance will be increased as from 1st May to 1s. 6d. a day, the increase of 3s. 6d. a week representing approximately 5 per cent. on the income of the wife of a private soldier with two children. In cases where no children are involved the wife's present allowance of £1 1s. per week will be increased by 1s. 9d. per week. The cost will be about £400,000 per annum.

These bonuses, and also that granted to public servants, follow the 5-per-cent. cost-of-living allowance granted by the Court of Arbitration. To offset the reactions from this award on labour costs it has been decided to increase the basic fixed price for next season's wheat by 2d. a bushel. I may add that the Government have under consideration the question of granting a war costs' allowance to the dairy industry to offset the increased labour costs arising out of the war. The Hon. the Minister of Marketing is at present discussing the matter with representatives of the industry and should be in a position to make a statement shortly.

In present circumstances, when the volume of goods for consumption is decreasing, general increases in money incomes confer no lasting benefit on the people and accentuate the already serious problem of avoiding inflation. The Government are already expending an amount in the vicinity of £2,250,000 per annum in subsidies, with the object of assisting the public, and it is proposed to continue the policy of stabilizing wages and prices to the fullest extent possible.

Stabilization of wages and prices of essential commodities.

The national development programme submitted in last year's Budget contemplated the borrowing of £13,000,000, but by reason of the demand for defence works on a large scale, combined with the call-up of men for the armed forces, the programme was curtailed, particularly after Japan entered the war. In consequence, borrowing last year for these purposes amounted to £11,952,000. For this year the policy is to reduce developmental works to a care-and-maintenance basis, with certain justifiable exceptions. In view of the shortage of power it is considered that hydro-electric construction work should proceed as far as is practicable, and £1,100,000 will be provided for this purpose. Then £300,000 is required for linen-flax development, the product being required for war purposes. In preparation for rehabilitation of soldiers it is advisable to carry on as far as possible with land settlement and development work, and it is proposed to allow £900,000 for these purposes.

National development programme for 1942-43.

Work on public buildings is now confined to completing works in an advanced stage of construction. Owing to the call-up of tradesmen for defence works, combined with difficulties in getting material, it has been necessary in the meantime to curtail housing activities, and it is not anticipated that more than £550,000 will be required for this purpose for this year. I may say, however, that the Government is planning for a huge expansion in housing along lines that will permit of rapid construction being undertaken as soon as circumstances permit. This will be a necessary part of the rehabilitation of men serving in the armed forces.

Housing.

Altogether it is estimated that loan-moneys not exceeding £4,500,000 will be required this year for national development and housing. Full details will be shown in the Estimates.

Transactions affecting the public debt resulted in new borrowings totalling £43,719,000. This money was raised for the following purposes:—

Loan programme for 1941-42.

National development works (including electric-supply, roads, State coal-mines, State forests, iron and steel industry)						£
						8,252,000
Housing						3,700,000
War purposes						31,767,000
						£43,719,000