of overseas indebtedness which have been effected, the Dominion's net sterling balances in March last reached a record of £(N.Z.)98,000,000. In considering this satisfactory figure, however, account must be taken of the fact that during the war years industrial plant and equipment suffered substantial depreciation and now requires extensive replacement, the Government's own requirements in respect of additional hydro-electric equipment, railway rolling-stock, &c., are substantial, while the public have had to postpone replacement of many essential worn-out items and merchants' stocks generally have been reduced to a very low level. Moreover, overseas prices have practically doubled since the war, so that the import value of our sterling exchange has been correspondingly reduced. All these factors give point to the necessity of maintaining the policy of import selection. Nevertheless an indication that the Government are liberal in implementing that policy is shown by the fact that for this year import licenses issued, including amounts carried forward from previous licensing periods, exceeded at 31st July last, as already mentioned, £100,000,000. It will thus be appreciated that existing shortages in imported goods are mainly due to the physical inability of overseas suppliers to meet our requirements.

Any review of social and economic progress would not be complete without reference to the Social Security scheme—the cornerstone of Government's social policy.

Social security now plays such an accepted and important part in the life of the community that one is liable to overlook the advances which have been made over the past eleven years. Thus, as regards age-benefits, for instance, in 1935 an age-beneficiary at age sixty-five years was entitled to £45 10s. per annum (17s. 6d. per week) for himself, plus £13 per annum (5s. per week), for two or more children. To-day the age-benefit, at the age of 60, is £104 each—that is, £208 (£4 per week), for husband and wife—together with £26 per annum (10s. per week), in respect of each dependent child. Moreover, the period of residence in the Dominion has been reduced from twenty-five to ten for those who were residents of the Dominion on the 15th March, 1938, and to twenty years for those who arrived after that date. The property exemption has been increased from £50 to £500 each. Again, unemployment benefit, which in 1935 was 14s. per week, is now 40s. per week, the rate for a dependent wife has been increased from 10s. to 40s. per week, and for each child from 4s. to 10s. per week. The universal child allowance of 10s. per week payable as from 1st April, 1946, replaces the 2s. per week in respect of each child in excess of two payable in 1935. One further example: to-day we have a universal superannuation benefit of £25 per annum, 10s. per week, increasing by £2 10s. per annum until a rate of £104 per annum is reached. In 1935 there was no universal superannuation benefit.

This, of course, is only part of the picture. There has, in fact, been a very material improvement in all the major factors affecting