

An ambitious programme of construction of State rental houses was initiated by the Government and, as has already been shown, this has proved a most beneficial and successful policy.

The Government, having assumed control over the external marketing of butter and cheese, and stabilized the market, provided increased outlets for New Zealand produce, widened the spread of consignments over the various ports of the United Kingdom, and by improving the regulation of shipments from New Zealand has been able to effect substantial economies in interest, insurance, commission, and other charges. These benefits and savings must inevitably return to the producer.

**Primary
products
marketing.**

Within the Dominion the Government has taken over the wholesale marketing of dairy-produce with substantial benefit to both the wholesaler and the retailer as well as to the consumer and producer. Steps have been taken also to improve the marketing of honey, eggs, and fruit.

The legislation affecting mortgage adjustment was amended and consolidated with a view to hastening the conclusion of the protracted negotiations for adjusting over-mortgaged properties and rehabilitating mortgagors. Thirty-eight Adjustment Commissions, in addition to the Court of Review, were constituted to administer the Mortgagors and Lessees Rehabilitation legislation passed in 1936. Several of the Commissions have actually completed their work, but in some districts progress has necessarily been slower than in others owing to varying local conditions. Excellent progress is now being made, and it is expected that the work will be substantially completed by the end of the present year.

**Rehabilitation
of mortgagors
and lessees.**

The objective of the Government in its legislation and instructions to Adjustment Commissions was to so adjust the mortgages and other charges that the occupiers would be freed from a load of debt that they could never discharge whilst at the same time assuring mortgagees that the advances they have made were secured up to the value of each particular property. This procedure in the large majority of cases enabled the occupier to extend his production and the mortgagee to commence receiving, in so far as the security was productive, something in return for the money which had been loaned.

In addition to these manifold activities, the Government has paid particular attention to improving educational facilities, involving a substantial increase in expenditure. Additional and increased bursaries have been provided, facilities for the conveyance of children by road and rail have been extended, the allocation for school libraries has been increased, and additional scholarships have been provided for Maori children.

Education.

The health of the community has been the special care of the Government and, beginning with the school-children, a free milk-in-schools scheme was inaugurated. The results have been most gratifying. The school dental service has also been very materially extended, and a new training centre established. Additional School Medical Officers, Inspectors of Health, and District Nurses have also been appointed.

**Health
services.**

May I emphasize three major policy decisions that have brought some joy into the lives of our people. The alteration of the pensions residential qualification from twenty-five years to ten years enabled 1,429 of our people to have some small sum to maintain themselves with an element of independence. The introduction of the pension for invalids removed fears and worries from the homes of over 10,000 of our people who were most in need of help, and the decision, under adequate safeguards, to pay widows' pensions to deserted wives removed difficulties that could not be removed in any other way.

Pensions.

One other significant item from the "Pensions" vote is the reduction in the number of mothers qualifying for family allowances. In May, 1937, a total of 8,995 were in receipt of such allowances, whereas in May of this year the total stood at 6,636. This reduction is all the more significant when one appreciates that the qualifying income has been raised.

**Family
allowances.**

The defence of the Dominion has been considerably strengthened, particular attention being paid to the development of a strong Air Force.

Defence.

In the realms of transport the Government has pursued a vigorous and progressive policy of unification of control over main highways and co-ordination and rationalization of competing services. To-day over 4,000 miles of main

Transport.