

To meet this situation two courses of action were taken. Lending for housebuilding by the State Advances Department was speeded up and put on a more generous basis. In September, 1936, a Housing Department was set up. This Department was financed by an advance from the Reserve Bank (which we have nationalized) of £5,000,000 at 2 per cent. Although it erected two factories for the provision of joinery and for dry-kilning timber, the Department is using the existing housebuilding organizations, and in March, 1937, it let its first contracts to private firms. By the end of 1937, land had been acquired in sixty-nine towns and tenders had been called for some two thousand four hundred houses in fifty-six towns; eighty-three different contracting firms were working for the Department, two thousand seven hundred workers were directly employed, and it was estimated that six thousand workers altogether were employed as a result of the Department's operations. By the date when I left New Zealand, approximately four thousand houses had been contracted for and eight thousand workers were employed either directly or indirectly. The houses are from four to six rooms, of widely diverse designs; each stands on its own plot of land and contains every modern convenience. The Department has been hampered by the shortage of artisan labour, but its aim is to build five thousand houses a year, and for these the money will be provided through the Reserve Bank.

The Government is also determined to develop a balanced industry in New Zealand—that is, we do not propose to rely solely on primary production for our prosperity. It is foolish to possess a resource and refuse to develop it. In the Province of Nelson we have a deposit of 60,000,000 tons of iron-ore. Private enterprise, with the aid of Government subsidies, has failed to work this deposit successfully, and the Government, after taking expert English advice, resolved to work this deposit as a State enterprise, and last session an Act was passed providing a sum of up to £5,000,000 for this purpose. The enterprise will be directed by three Commissioners responsible to the Minister of Industries and Commerce, and will employ approximately one thousand five hundred men, who with their wives and families will reside in a State town built on modern town-planning lines.

In the coming session of Parliament the New Zealand Government will enact a national health and superannuation scheme, under which we plan to provide the following health services: (1) A universal general practitioner service free to all members of the community requiring medical attention; (2) free hospital or sanatorium treatment for all; (3) free mental hospital care and treatment for the mentally afflicted; (4) free medicines; (5) free maternity treatment, including the cost of maintenance in a maternity home.

As the health organization develops, other benefits will be provided, including dental and optical treatment, and free home nursing and domestic help also when the necessary staff has been trained to make this practicable.

On the superannuation side substantial improvements are to be made in the existing pensions system. These will include, for the first time, an orphan's benefit of 15s. a week up to sixteen years of age, a sickness benefit which will be payable through the friendly societies, and a disability benefit for those who cannot qualify for the invalidity pensions.

In addition, more generous provision than at present exists will be made for old-age pensions, widowed mothers' pensions, miners' phthisis pensions, and family allowances. To cover the cost of the scheme and at the same time to provide unemployment benefit we plan to establish a Social Security Fund financed by a tax of 1s. in the pound on all wages, salaries, and other incomes, together with a subsidy of equal amount from the consolidated revenue. When this scheme comes into operation there will hardly be a person in New Zealand who will not be safeguarded against the hazards of life and the misfortunes consequent upon the prevailing system of society.

It may be of interest to add a brief reference to our Bureau of Social Science Research established last year. To this Bureau experts on nutrition, industrial psychology, education, housing, recreation, and similar matters have been appointed, together with others holding enlightened views on economics and social life. The Bureau will study important questions—it has already commenced a thorough investigation of the living standards of our dairy-farmers—and its reports will provide guidance for Government action.

It will be realized from my statement that the New Zealand Government is actively concerned with the objects of the International Labour Organization. It is our desire to do everything we can to forward those objects both in our own country and in the world as a whole. It may be recalled that at last year's session of the Conference the New Zealand Minister of Labour, the Hon. H. T. Armstrong, drew attention to the fact that the procedure hitherto followed in the election of the Government members of the Governing Body gave virtually no opportunity to a country such as ours to secure representation, and he suggested that some system of rotation might be devised to ensure that each State might have an opportunity from time to time to take part in the work of the Governing Body. Although I am aware that it will be another two years before the question will come up again, I should like to say that this is a matter in which the New Zealand Government is keenly interested and to which it hopes