

service across the Pacific connecting Australia and New Zealand with Vancouver via Fiji, Honolulu, and San Francisco. Canada will also operate a service on the same route, their activities being co-ordinated with those of the Corporation and these services will run parallel with a like service organized and operated by a United States company.

The whole of the loans funds required for the National Development programme will be provided by the State Departments and from the 3 per cent. "tap" issue at present open for public subscription on the local market.

This loan, maturing 15th July, 1961–63, was opened on the 3rd January, 1946, the proceeds being applied initially to meet part of the cost of repaying loans which matured in London on the 1st January and 1st February last. This procedure was continued till 31st March, 1946, when £2,625,430 had been subscribed. Since 1st April, £5,500,000 has been received and has been applied towards the current year's national-development-loans programme. The total receipts from this issue so far has thus been over £8,000,000.

In submitting this loan programme for the current year, I would remind honourable members that for some time past the Government have been engaged in a comprehensive survey of capital works covering the whole Dominion and including State, local authority, and private works, with the object, firstly, of ascertaining the magnitude of the problem which has to be faced during the next few years, and, secondly, of establishing a system of priorities depending on the resources available and the relative importance of the works. This co-ordination of State and private effort will be of material importance in ensuring that adequate progress is made in meeting the nation's housing requirements, and that, by maintaining a proper flow of labour and material to such works, the Government's policy in regard to full employment is safeguarded.

Hospital rating

The Government has given consideration to the recommendations of the Parliamentary Select Committee on Local Government with respect to hospital rating. The Government does not agree that the hospital rate should be abolished. It agrees, however, that it is desirable that the rate should be stabilized. It has been decided that from the beginning of next financial year the hospital levy in any district of New Zealand shall not exceed 0.5d. per pound of rateable capital value.

While the amount levied on local authorities will be determined on the above basis, each local authority will allocate the sum required amongst its ratepayers, according to the system of rating in vogue in its area. It is also the view of the Government that hospital districts should be enlarged in order to promote a more efficient system of health administration and that a greater measure of control of Hospital Board expenditure should be exercised.