

difficulty by accepting a share of the responsibility and writing off part of the indebtedness. This is the proper thing to do. Unfortunately, there are sometimes faults on both sides, and it becomes impossible to make any arrangement to which both parties will agree. The Government has assisted and will assist struggling settlers wherever it is possible to do so, but it cannot encourage breaches of agreements lawfully entered into. There is some satisfaction, however, in knowing that these difficulties are gradually adjusting themselves and that on the whole production is being well maintained.

The Mortgages Extension Act will cease to operate on the 31st December next. Under this Act the mortgagee can apply to the Supreme Court for exemption from the restrictions on the enforcement of his rights, and the Court, having considered the effect of continuance on the security, the ability or otherwise to redeem, and the question of hardship generally, is empowered to grant relief under special circumstances.

The legislation just introduced will, if passed, have the effect of putting the law the other way about, so that the mortgagor may go to the Supreme Court, and, where he is able to prove to the satisfaction of the Judge in Chambers that actual hardship will otherwise ensue, the Court will be empowered to grant a limited extension. Otherwise the moratorium will be lifted as from the 1st January, 1925.

REDUCTION IN TAXATION.

The all-important question of taxation has continued to receive careful and detailed consideration. In pursuance of the policy the Government has adopted, of gradually reducing taxation as conditions permitted, you will again be asked to approve of further remissions. These will be adjusted in such a manner as to give the greatest relief to all classes of the community, and at the same time to stimulate the productive powers of the Dominion.

On the present basis of taxation the revenue for the current year would probably produce £28,857,620, whilst the expenditure is estimated at £27,505,060, leaving a credit balance of £1,352,560. The remissions granted last year are valued at £1,200,000, and this year, after providing for interest and debt-reduction charges, as well as for the efficient and economical administration of Departments and services, I hope to be able to ask Parliament to reduce the burden of taxation by about £1,000,000, particulars of which will be supplied in the legislation dealing with the subject. I must, however, again remind those who, indifferent as to cost, and unable to say where the money is to come from, clamour in one voice for increased expenditure and a reduction in taxation that they cannot have both. I quite recognize that, as the population grows and the national wealth increases, the expenses of Government, no matter how economically administered, must expand, but that expansion must not be greater than the increase in income. There should be a sufficient margin to ensure safe finance and to provide some contribution towards reducing the dead-weight of our war debt—one of the best means of easing the taxpayer.

PROGRESS OF THE DOMINION.

It is now opportune to review the decade that has just passed and note the progress made by the Dominion. The period covers the Great War, on account of which, both during its continuance and since, the Dominion has passed through greater economic difficulties than ever before in its history.

The position to-day will be seen from Table No. 7, which accompanies this statement. Such progress as is evidenced by the various figures given could not have been achieved without prudent and careful administration.

During the period the population has increased by 18 per cent. The total trade, which per head of population is the highest in the world, increased by £50,271,277, or 110 per cent. Export of wool increased in volume 17 per cent. and in value 35 per cent.; frozen meat, 18 per cent. in volume and 103 per cent. in value; butter, by 236 per cent. in volume and 418 per cent. in value; cheese, by 136 per cent. in volume and 288 per cent. in value. In addition to encouraging the primary industries the Government has not been unmindful of the smaller industries. The exports of apples increased in volume by 295 per cent. and in value by 512 per cent., whilst in the case of honey the increase in volume was 375 per cent., and in value 624 per cent. Every assistance is being given to these producers to establish an export market for their commodities. The total exports for the