

belligerent countries, and, since 1942, the policy has been to confine loans to direct subscription from the public without recourse to Reserve Bank or trading bank funds.

Public ownership of the Reserve Bank has facilitated the financing of the guaranteed-price scheme for dairy-produce and the marketing of other produce. It has facilitated the Government's housing scheme under which over 21,300 houses have already been built, and it has been instrumental in holding down the general level of interest-rates.

Public ownership of the Reserve Bank was the key which enabled the Government to raise public and private spending to the level necessary to employ the productive resources of the Dominion, thus providing full employment and full opportunity.

During the eleven years since the advent of the present Government, in addition to the advantages set out above, the bank has out of its profits paid over to the Consolidated Fund the sum of £3,668,997.

Fundamental also to the Government's programme was the more equitable distribution of the national income among the people and the making of the people secure in their gains.

The fulfilment of this programme during the past eleven years, including six years of war, has been an outstanding administrative achievement. By the redistribution of the national income through guaranteed prices, wage increases, and the social security scheme, poverty has been abolished and economic security established for everyone.

The Government also put into practice the principle that the highest level of education was the right of every New Zealander and not just the privilege of the more fortunate.

The principles which inspired the Government's programme in 1936 and through the past eleven years can be restated to-day with equal force.

SOCIAL AND ECONOMIC PROGRESS

This is a fitting opportunity to review in brief social and economic progress during the past ten years. During a decade which included six years of total war, remarkable progress has been made. Appended to this statement is a statistical table (Table 6), showing how very strikingly the Dominion has progressed since 1935-36, and even, in certain major respects, since the beginning of the war. For instance, in the year ended 30th June, 1936, total production was valued at £114,000,000, in 1939 the value was £136,000,000, whereas the latest figure—namely, for 1946—gives a total of £184,500,000, representing an increase of over 62 per cent. since 1936. This substantial increase represents not only an advance in money values, but in actual volume. The index number for volume production was 93 in 1936, 100 in 1939, and 107 for the latest available year (1944).