THE SECOND Session of the Twenty-seventh Parliament of New Zealand was this day opened by the Governor-General, when His Excellency was pleased to make the following statement of the causes of the calling of this Session of Parliament together:—

HONOURABLE GENTLEMEN OF THE LEGISLATIVE COUNCIL AND MEMBERS OF THE HOUSE OF REPRESENTATIVES,—

On the last occasion when I addressed you, New Zealand and other United Nations were fighting bitterly in all theatres of the war against Germany and her satellites, and in the East against Japan. The grave suspense experienced before the invasion of western Europe has ended. We meet to-day deeply thankful that Germany and our other enemies in Europe have been totally defeated. The countries of Europe which were overrun by the Nazi aggressor are now liberated, and all men of good will are turning to the task of ensuring for all time that Germany shall not again possess the power to disturb the peace of the world.

The task of conquering Japan, however, is still before us. My Ministers have been giving full and earnest consideration to the contribution that can appropriately be made by New Zealand towards this end. The United States of America are bringing men and materials in increasing measure into this theatre. Already Forces of the Royal Navy are operating in the Pacific, and a major redeployment of Forces from the United Kingdom is in train. Australian Forces are taking a prominent part in the Pacific campaign, and Canada also proposes to make a substantial contribution. My Ministers are sensible of the determination of the Parliament and peoples of New Zealand to continue the war to a victorious conclusion, and will present in detail the measures which will be taken by New Zealand to assume her full share in securing the defeat of Japan.

In the final phases of the war in Europe the Forces of New Zealand were joined with those of our Allies. Under the distinguished command and vigorous leadership of Lieutenant-General Sir Bernard Freyberg, the Second New Zealand Division has added to its laurels. In the long, grim campaign through Italy they fought with unremitting valour. As operational conditions permit they are being progressively withdrawn from the positions they occupy in north-east Italy, and are proceeding to their base camps in Egypt.

In the victory in Europe New Zealand airmen have played their part. These young men, the majority of whom were trained in the Commonwealth Air Training Scheme, have acquitted themselves with distinction in the Royal Air Force. The
contribution made by the members of the Royal New Zealand Air Force in the Pacific has been noteworthy, and its value has been attested in glowing terms by the United States and Australian Commanders. Splendid service has been rendered by our men in the Naval Forces. They are serving with the Royal Navy in all waters and in the New Zealand cruisers operating with the Royal Navy as well as in minor war vessels of the Royal New Zealand Navy throughout the chain of islands in the South Pacific. The continued success that has attended the operations of all arms of our Forces in every theatre in which they are serving has given the Dominion renewed cause to be proud of the record of courage and endurance of our servicemen, Maori as well as pakeha, and of the record of efficiency and unselfish devotion to duty of our servicewomen.

It is cause for rejoicing that the close of the war in Europe has enabled the return to freedom of our men who have been held for so long in prisoner-of-war camps in Germany and in territories occupied by the German Forces. In anticipation of their arrival complete arrangements had previously been made for their reception, care, and attention in England. General satisfaction and appreciation of what has been done have been expressed by all who have inspected the facilities and particularly by the men themselves. They look forward with keen and eager anticipation to their reunion with their families and country. Already some of them are on their way home to New Zealand, and the remainder will follow as quickly as the shipping situation permits.

In addition to maintaining our contribution to the military effort full account must be taken of the Dominion’s capacity to produce food not only for the support of Forces in the Pacific, but also to help to maintain the rations of the people of the United Kingdom and to afford assistance to the people of the liberated countries in Europe. The production of meat and dairy-produce for this season already promises to exceed the objectives aimed at. The findings of the Allied Food Conference in Washington earlier this year, which revealed the gravity of the world shortage of foodstuffs, led my Government to make a reduction in the rations of meat and butter, thus augmenting the quantity of food which this Dominion can make available.

My Prime Minister and Minister of External Affairs went to London in March at the invitation of His Majesty’s Government in the United Kingdom to take part in discussions between representatives of the Governments of the British Commonwealth of Nations on proposals relating to the establishment of a general international organization for the preservation of peace and security. These discussions took the form of an unrestricted and valuable exchange of views as a preliminary to the conference of representatives of the United Nations to which my Government were invited to send representatives and which was formally opened at San Francisco on the 25th April.

My Ministers have at all times attached the greatest importance to the solution of the problems of maintaining peace and security, in order that the peoples of the world may continue to make progress towards highest purposes of life, in freedom from fear, the devastation of war, and its cost in human lives. Long and earnest consideration had therefore been given to proposals for an international organization that were to be placed before the conference at San Francisco. My Prime Minister, assisted by the New Zealand Minister to the United States of America, Mr. C. A. Berendsen, approached the tasks of the Conference with the fullest determination to play their part in formulating the most effective possible proposals for a collective system of international security.

The Conference was brought to a successful conclusion on the 26th June, and my Prime Minister and the Minister to the United States gave their signatures provisionally to the Charter of the United Nations. The text of the Charter will be submitted to Parliament at the earliest possible date, and members will be given an opportunity of considering and discussing the provisions contained in it before being asked to support its ratification.

The machinery for co-operation which was developed in the agreement concluded at Canberra in 1944 between His Majesty’s Government in the Commonwealth of Australia and my Government is working in a friendly and most useful manner. In November last a further Conference took place at Wellington between representatives of the two Governments. This provided a valuable opportunity for exchanging views on a number of matters of common interest, including subjects of world security and trusteeship for dependent peoples which have been under debate at the United Nations Conference at San Francisco.
It is anticipated that there will be a great development in world air transport systems, and my Government were pleased to accept the invitation of the United States Government to participate in a Conference held at Chicago last year to draw up a new International Civil Aviation Convention to replace the Paris Convention of 1919. New Zealand was represented at this Conference by my Minister of Supply, who, together with other British Empire representatives, also took the opportunity to examine the problems connected with the post-war development of Empire air services. A Commonwealth Air Transport Council, on which New Zealand will be represented, is to have its first meeting in London early next month.

In June of last year it was again my pleasure to visit the people of Western Samoa. I was accompanied on this occasion by Lady Newall and our children, who remained in Samoa while I made a short and very interesting visit to the Tokelau Islands. I have just returned from a tour of islands in the South Pacific and Southwest Pacific Areas, where I visited units of the Royal New Zealand Air Force and ships of the Royal New Zealand Navy. Later this year Her Excellency and I hope to visit the people of the Cook Islands.

Several months ago my Prime Minister and Minister of Island Territories visited Western Samoa, the Cook Islands, and the Tokelau Islands in order to meet the peoples in those territories and to discuss health, education, production, marketing, and matters of administration. My Prime Minister was most encouraged by the widespread demonstration by these peoples not only of friendship and co-operation, but also of devotion to the Crown.

While overseas my Minister of Supply visited the United Kingdom in connection with matters relating to supply and industry, and also went to Italy, where he met many of our men in the Second New Zealand Division.

Advice has been received that the Governing Body of the International Labour Office had decided that the Twenty-seventh Session of the International Labour Conference should be held in or near Paris, France, in September next, and my Ministers are examining the question of New Zealand being represented at this Conference.

MR. SPEAKER AND MEMBERS OF THE HOUSE OF REPRESENTATIVES,—

Although the war in Europe has been brought to a successful conclusion, the Dominion must necessarily remain on a war footing until the enemy in the Pacific has been overcome. Nevertheless, there will be a substantial decrease in total war expenditure, and this in turn will be reflected in a reduction in my Government's anticipated borrowings for war purposes during the current financial year.

The Victory Loan of £40,000,000 raised towards the end of last year was fully subscribed without having to call on either the trading banks or the Reserve Bank for contributions, and I am happy to say that the 1945 Victory Loan of £25,000,000 has recently closed under the same favourable conditions. The success of these loans has demonstrated the determination of all sections of the community, investors of large and small sums alike, to devote their energy and resources towards the support of our fighting men.

It is appropriate to mention on this occasion that since the outbreak of war to the 31st March last, New Zealand has expended on war purposes a total of over £500,000,000 without any net increase in the external debt of the Dominion.

The public accounts for the financial year ended the 31st March last closed with a surplus of £1,215,000, full details of which will be given to honourable members during the present session of Parliament. It is pleasing to record that the total surpluses since the outbreak of war have amounted to over £11,000,000.

As an expression of the nation's gratitude to members of the Armed Forces for services so valiantly and so successfully rendered, my Government are making provision for payment of a war gratuity to all full-time members of the Forces on the basis of 75s. per month for service overseas and 20s. per month for service within New Zealand.

You will be asked to make financial provision for the effective prosecution of the war and for other necessary services.
HONOURABLE GENTLEMEN OF THE LEGISLATIVE COUNCIL AND MEMBERS OF THE HOUSE OF REPRESENTATIVES,—

The many problems arising from the transition from war to peace will demand increasing attention. In particular, consideration must be given to the steps necessary to ensure full employment and economic stability in the post-war period. A commencement has been made with the practical work of planning a fuller development of New Zealand's industries and resources.

The need for continuing the application of wartime controls is under constant examination. It is the policy of my Ministers to dispense with emergency regulations as soon as the necessity for them passes. Individual controls are in fact being relaxed or removed as they become unnecessary for the efficient conduct of the war. As men return from overseas and as the special wartime demands on our industries diminish in intensity, a steady relaxation of measures of man-power control will be possible.

A continued use of measures of control has ensured that the Dominion's limited wartime man-power resources have been adequately concentrated at those points in industry which continue to be most vital both to maintain essential production and to keep key services in full operation. My Ministers have pursued the policy of bringing back to New Zealand those men who have had long service overseas. One result of this has been that in the past twelve months an additional nine thousand returned servicemen have been placed in primary industry. These men have been partially replaced in the Armed Forces by men who have hitherto been held back from military service.

My Government, believing that rehabilitation is the greatest problem with which they will have to deal in the reconstruction of the Dominion's economic and social life, have continued with unabated energy in their plans and efforts to replace successfully in civil life the many thousands of men and women, pakeha and Maori alike, who have been and are serving so magnificently with the Armed Forces. The conclusion of the war in Europe has brought greater urgency to the satisfactory and complete fulfilment of this task. Of that urgency my Ministers are deeply conscious and have made comprehensive plans to meet our rehabilitation needs.

Moneys expended on rehabilitation of ex-service men and women to the end of May of this year amounted to more than £10,000,000. During the past year interest rates chargeable on loans of all kinds to ex-service men and women were reduced.

My Advisers have proceeded energetically with the training of ex-servicemen for farm settlement, while an increasing number has been placed on farms of their own with rehabilitation finance. To help overcome the difficulties experienced by ex-servicemen in obtaining suitable properties, well over 100,000 acres of land have, by negotiation, been purchased in the name of the Crown for development and settlement, while, under section 51 of the Servicemen's Settlement and Land Sales Act, 1943, land capable of subdivision into about one hundred and fifty single farms has been acquired for the same purpose. The acquisition and subdivision of suitable land for the settlement of ex-servicemen will be accelerated.

Full advantage has been taken of the assistance provided for studying under numerous and varied educational courses at a University and elsewhere, including post-graduate courses overseas. It is planned to provide overseas bursaries for both educational and technical purposes on an expanding scale to men who may wish to take advantage of these facilities before returning to New Zealand from overseas service.

During the past year the administration of rehabilitation has been still further decentralized, resulting in speedier re-establishment of those seeking assistance.

To combat the shortage of trained labour in the building industry, and at the same time contribute to the vocational rehabilitation of ex-servicemen in building trades, the policy of establishing training-centres for these and other trades throughout the Dominion will be continued.

My Ministers are determined, as far as possible, to alleviate the acute housing shortage in the Dominion, which, in common with other countries at war, was compelled to curtail house-building so that man-power and materials could be directed to war work. Anxiety to improve the housing situation is emphasized by the
recognition that adequate housing is a primary need for ex-service men and women and their dependants. My Government have therefore continued, as far as available supplies of building materials and labour will permit, to assist ex-service men and women to build their own homes or, alternatively, to purchase existing dwellings. My Ministers propose to continue their lending policy for these purposes and to accelerate the building of State rental houses and flats, of which 50 per cent. are reserved for ex-servicemen and women.

The affairs of my Maori people will continue to receive that care and attention which have ever been bestowed upon them. Consideration will be given to the settlement of the unsatisfied claims in respect of which Commissions or other judicial tribunals have recommended some monetary or other form of relief. My Government will continue to pursue with vigour the development of Native lands and their settlement by their Maori owners. The utilization of Native land, it is hoped, will be increased by instruction now being given by the Native Department in various forms of horticulture.

In October last a widely representative conference on education was held. The Conference dealt exhaustively with pre-school services, youth services, adult education, religion in education, and rural education, and many of its recommendations have been put into effect. Committees have been appointed to deal with recommendations concerning adult education and pre-school services.

The problem of apprenticeship and the re-organization of trade-training facilities to meet post-war requirements, which has been engaging the attention of my Government for a considerable time, resulted in the setting-up of a Royal Commission to investigate the matter and bring down recommendations. The Commission has presented its report, and my Ministers are now considering the question of introducing legislation embodying its recommendations.

In order to remove a measure of distortion from the economic structure of the Dominion, adjustments have been made in the remuneration of wage-earners and other sections of the community, but my Government are resolutely adhering to their policy of stabilizing wages, costs, and prices, because in their opinion it is essential for the successful rehabilitation of ex-servicemen and for the present and future welfare of the entire community.

With the prospect of sufficient professional and technical personnel becoming available, my Ministers are endeavouring to complete arrangements for the introduction of benefits under the Social Security Act in respect of laboratory services and of dental services. The latter benefits will at the outset necessarily be limited to their application to children and young adults.

My advisers hope to conclude arrangements for the provision of free ambulance services throughout the Dominion similar to the free services already provided by voluntary agencies in several districts.

When I last addressed you I indicated that my Government had under consideration a proposal for the provision of a minimum home and family income. A measure giving effect to this proposal will be placed before you during this session.

A measure will also be introduced to provide for the acquisition by the State of the privately-owned shares in the Bank of New Zealand.

My Government have under consideration legislation empowering them to acquire and operate the internal commercial air services of the Dominion.

Bills will also be laid before you relating to scientific and industrial research, superannuation, workers' compensation, and other subjects; and for the consolidation and amendment of the laws dealing with nurses and midwives registration and with factories.

I pray that the blessing of Almighty God may rest upon your deliberations.