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THE First Session of the Thirtieth Parliament of New Zealand was on the 25th day of September opened by Commissioners under the authority of Letters Patent, and His Excellency was this day pleased to make the following statement of the causes of the calling of this Session of Parliament together:—

HONOURABLE MEMBERS OF THE HOUSE OF REPRESENTATIVES,—

In the last few days the British peoples have learned with feelings of profound sorrow of the deterioration in the health of our beloved Sovereign, His Majesty King George VI, and of the serious operation His Majesty has undergone. At the request of my Prime Minister I have conveyed to Their Majesties the King and Queen the deep sympathy of the Government and people of New Zealand and the assurances of their loyalty and devotion. As we anxiously await further news it is the earnest hope and devout prayer of all his loyal subjects that His Majesty's condition may soon respond to medical treatment and thus remove the heartfelt anxiety which is, I am sure, felt throughout the world.

Since I opened the last Parliament less than three months ago, there has been a dissolution followed by a general election. My Ministers therefore desire that I should place on record the reasons which impelled the Government to follow this course, and to seek a fresh mandate from the people when less than two years of the normal term of Parliament had expired.

At the beginning of the year, a matter affecting wages in the waterfront industry was seized upon by the watersiders as an opportunity for a trial of strength with the democratically-elected Government.

As a consequence, a prolonged strike, which, but for firm measures, might well have paralysed the industrial life of this country and wrought immeasurable injury to our people, has blighted the year 1951.

The view is firmly held by my Ministers that the success which had attended the policy of direct action pursued by the leaders of the waterside workers during the years 1940 to 1949 had created in their minds the idea that they were stronger than the Government. Experience during those years had led them to believe that militant tactics did pay. Encouraged by past successes, therefore, they embarked on a strike in defiance of the long-established and well-tried methods of conciliation and arbitration. Recognizing that this was a challenge to constitutional authority, and conscious of the responsibility it owes to the people, the Government therefore proclaimed a state of emergency under the Public Safety Conservation Act, and thus armed itself with the powers it deemed necessary to cope with all eventualities in a situation without precedent in the last thirty years or more. These emergency powers were challenged both inside and outside Parliament as an unwarranted invasion of individual liberties and an abuse of governmental authority.

Though firmly believing that, in the circumstances existing at the time, no more powers had been taken than were necessary to maintain law and order, to provide essential services and supplies to the people, to maintain industrial activity, and to afford adequate protection for all those who rallied to its aid, the Government nevertheless came to the conclusion that its proper constitutional course was to place itself in the hands of the electors and put its actions to the test of public opinion. On the advice of my Prime Minister, therefore, I dissolved Parliament on the 27th July last, and a general election was held on the first of this month.

My Ministers feel justified in taking the result of the election as a most emphatic endorsement of the firm stand taken by the Government in connection with the waterfront situation and of the methods adopted to meet the challenge to constitutional authority. They feel, moreover, that it demonstrates that the people will, when the occasion demands it, put the national welfare before all else and range themselves unmistakably on the side of law and order. The fact that so large a section of the organized trade-union movement stood solidly behind the Government in upholding the rule of law has also given my Ministers a great measure of satisfaction and encouragement.

It has, however, become clear to the Government that industrial legislation needs to be buttressed with provisions designed to ensure that responsible law-abiding working men, who represent the overwhelming majority of the labour force of this country, shall be protected against violence, intimidation, and vulgar insult on the part of a small but noisy minority who have, for too long, been undermining the best interests of the workers of this country. Legislation will therefore be introduced during the coming session to safeguard the foundation principles of conciliation and arbitration by providing for compulsory secret ballots on all strike issues and by making the practice known as picketing illegal. The Government believes that no one should be allowed to deny to others the right to earn their daily bread in whatever lawful occupation they choose to follow, without being the victims of abuse, intimidation, and threats (both open and anonymous) of physical violence to them or their families.

A disturbing manifestation has been the all-too-apparent similarity between the methods that were adopted in connection with the recent industrial hold-up and the methods long advocated in Communist philosophy. My Ministers are convinced that the strike, if not actually inspired, was actively supported and fomented by Communist organizations working with characteristic underground methods. The Government believes that public opinion strongly demands that

adequate measures to deal with this insidious menace to our democratic way of life should be written into the law at the earliest opportunity. Whilst jealously guarding the fundamental right of the individual to legitimate freedom of speech and to liberty of conscience, therefore, the Government will examine existing legislation with a view to strengthening the law so that subversive activities, which tend to stir up ill-will, disaffection, and class hatred amongst our people, may be more effectively dealt with.

In the period since I last addressed you, two developments of special significance to New Zealand have taken place in the international field—the signature of the Japanese Peace Treaty at San Francisco and the signing of the Tripartite Security Agreement between the United States, Australia, and New Zealand. Particular attention has been devoted to these matters by my Government, which has conferred for almost twelve months with the representatives of the Governments of the United States, the United Kingdom, Australia, and of other countries concerned. Throughout the protracted negotiations that have been conducted over the past five years in connection with the Japanese Peace Settlement, the New Zealand Government has never failed to place in the foreground of its policy its anxiety lest there should be a resurgence of Japanese militarism. I am happy to say, however, that, in the opinion of my Advisers, the fears that have been entertained in this regard have now been met to a very great extent by the mutual security arrangement just recently concluded with the United States. They consider, moreover, that an even greater and more immediate danger to the peace and tranquillity of the Pacific would exist if Japan were left entirely defenceless and thus became a fertile seed-bed for the spread of Communism.

The Peace Treaty imposes no limitations on the sovereignty of Japan and, furthermore, it provides a full opportunity for the Japanese Government and people to co-operate with all other peace-loving States in promoting the principles of the United Nations Charter and a state of enduring peace. It is the earnest hope of my Government that the generosity of the terms and the absence of a spirit of vengeance in the peace settlement will convince the Japanese people that their true interest lies in matching friendship with friendship and in meeting co-operation with a like spirit.

We in New Zealand earnestly trust that this will prove to be the case and that Japan, in common with the other nations of the Pacific, will recognize that the blessings of peace are those which above all else serve the best interests of her people, and that war as an instrument of policy inevitably fails and that it would, in the future, as it has done in the past, visit upon the people of the aggressor nation just and certain retribution.

On the 1st of September the Tripartite Security Treaty was signed at San Francisco, and now awaits ratification by the three Governments concerned. The conclusion of this Treaty of mutual assistance is regarded by my Advisers as a most important advance not only for our own people, but also for the partner nations of the British Commonwealth. While the Treaty does not express anything new in the relationship between the United States and our own country, it nevertheless recognizes our mutual dependence and embodies a formal undertaking by which all three countries mutually pledge themselves to render immediate assistance to one another in the event of attack upon any of them. The clear recognition in the Treaty of the fact that New Zealand and Australia have special defence responsibilities as members of the Commonwealth will enable them to contribute in the most effective manner to the defence of the free world. It is a matter of much gratification to my Ministers that the conclusion of this Agreement has been so warmly welcomed by the United Kingdom, not only as a valuable contribution to the security of the British Commonwealth, but also as complementary to the mutual understanding and assurances of support which exist between the United Kingdom, Australia, and New Zealand.

The New Zealand Government will continue, by all means within its power, to strengthen still further the bonds of goodwill and kinship between this outpost of Empire and the Motherland. We rejoice in the steady recovery which the United Kingdom is making from the waste and ravages of war, and in her widening influence for good in world affairs. Britain's destiny is ours; her anxieties are ours; we share in her prosperity and also in her determination to play a worthy part in promoting the best interests and peace of our Empire, the Commonwealth, and the world generally.

Developments in the sphere of international relations continue to cause grave concern. The menaces to international freedom, to which I drew attention when I last addressed you, have not diminished, and the urgent need for the democratic nations to proceed with their rearmament remains one of the most pressing preoccupations of my Advisers.

We are still engaged in action to defeat Communist aggression in Korea, and I take this opportunity of paying tribute to the steadfast courage of the men of Kay Force and the members of the Royal New Zealand Navy who are participating in the United Nations operations, and to those members of the Royal New Zealand Air Force who have rendered such valuable service in Malaya. Though the negotiations for a cease-fire in Korea are not by any means as promising as could be desired, it is the earnest hope of my Ministers that these may yet be fruitful.

The defence problems in the international sphere were discussed in some detail by my Minister of Defence, who attended the recent meeting of Commonwealth Ministers in London. These discussions have emphasized the urgency and importance of defence and the need for strong and trained forces to secure the peace and our free order of society. A full report on the general situation will be brought before you in the course of the session.

The expanded defence programmes throughout the world have caused dislocation in the national economies of many countries. Existing shortages of raw materials have been aggravated. Inflationary pressures have been increased still further. This has posed problems for Governments of all shades of political opinion.

While not professing to have any sovereign remedy for lifting the burden of increased living costs which results from this world-wide inflation, and which presses most heavily on those in the lower income groups, the Government will take all reasonable measures to reduce inflationary pressures. The prices of imported goods have an important bearing on living costs, and these prices are determined outside New Zealand. The prices of locally-produced goods, however, are influenced by local conditions, and it is the Government's constant aim to hold local costs as far as is practicable.

My Advisers recognize the influence of capital expenditure on inflationary pressures, in that excessive capital expenditure accentuates the deficiency of consumer goods in relation to the volume of money in circulation. The Government intends therefore to keep capital expenditure under careful review.

Some time will necessarily elapse before remedial measures of this nature produce any appreciable effect, and in the meantime action to reduce the prices of certain commodities in daily use has already been taken. Provision whereby wages can move more frequently in conformity with the needs of this changing situation will be made during the current session, and both wage-earners and employers will be given the right to bring applications for wage adjustments before the Court of Arbitration twice a year instead of annually as in the past.

Great prosperity has come to New Zealand, mainly because of the prices received for our exports of primary produce, especially wool. My Government has endeavoured to spread this prosperity amongst all sections of the community—some through higher social security, some through higher wages and salaries, and others through lower commodity prices and reduced taxation.

Our primary industries continue to be of great importance and the utmost care must be taken to ensure that they maintain their vital place in the national economy.

Likewise, our growing manufacturing industries are essential to the well-being and prosperity of our people. Many thousands of families are dependent on these industries, from which goods are being produced in increasing quantities and of quality that bears favourable comparison with the manufactures of other countries.

The Government's policy is to encourage all worth-while industries and to protect them from unreasonable or unfair competition, while always carefully ensuring that the interests of the consumer, so often forgotten, are not overlooked. The Government firmly adheres to its belief in the system of competitive private enterprise with the maximum freedom consistent with the rights of others.

The sound position of the public finances makes it possible to give some relief to taxpayers during the current year. Taxation on tea and petrol has already been reduced as from 3rd September, whilst provision for reduction of income-tax as promised during the election campaign will be made during the current session. Provision will similarly be made for doubling the present universal superannuation benefit during the forthcoming year (thus making it £75) and for doubling the annual increment, which will thus become £5 per year. This, the Government believes, will hasten the day when the universal superannuation and the ordinary age-benefit will merge into one benefit. In keeping with the Government's election pledge, an emergency fund to assist needy people for whom the ordinary benefits under the Social Security Act do not provide sufficient assistance will also be set aside during the present session.

An outline of the legislative programme for 1951 was given in the speech which I made when I last addressed you. It is the intention of the Government that as much of this legislation as is manageable will be introduced in the course of this session.

I pray that with God's blessing your deliberations on all these and related matters may prove to the lasting benefit of the people of New Zealand.

