

Because of my Government's increased concern with events in South-East Asia, there has been a consolidation and expansion of New Zealand's activities in that area. The appointment has been made of a New Zealand Commissioner in South-East Asia, with an office in Singapore, and a further post is shortly to be set up in Thailand. It is expected that a diplomatic mission will be established by Thailand in New Zealand. The Colombo Plan continues to command the full support of my Ministers, who are satisfied that the Plan has not only been a valuable supplement to the efforts being made by the Asian people themselves in raising living standards, but is also an outstanding example of co-operation between countries inside and outside Asia.

My Advisers believe, however, that the Colombo Plan and similar programmes for economic development can be carried out with full effectiveness only in conditions of peace and stability. New Zealand cannot remain indifferent to the aggressive challenge which faces the free nations of the area, and my Government has therefore taken an active part in the development of the South-East Asia Treaty Organisation.

As a further contribution to the effectiveness of the Treaty, and in accordance with its Commonwealth defence commitments, my Government has provided units of our naval, army, and air forces for service in the SEATO area.

Developments in Asia have not diminished my Ministers' interest in Europe and the Middle East nor their recognition of the importance these areas must continue to hold for New Zealand and the Commonwealth.

New Zealand's two-year term on the Security Council has now expired, but my Ministers retain their special interest in the United Nations, which, they believe, remains the best means of building up the understanding and common purpose so essential to an enduring peace.

New Zealand's economy continues to expand in all fields of activity. Primary production continues to rise, notwithstanding a prolonged spell of dry weather in the South Island, which has called for special measures. The numbers of livestock are increasing at a very satisfactory rate and our primary industry is soundly organised to meet the requirements of our growing population. The development of Crown land for farming purposes continues, and finance is available through the Marginal Lands Board to assist in the development of occupied farm properties which are not at present reasonably economic and where the normal avenues of rural financing are not suitable. Aerial topdressing of our farm lands continues to increase at a rapid rate and will reach almost 3 million acres this year compared with less than 50,000 acres six years ago. This great expansion will result in considerably increased production as the full effects of aerial topdressing are felt.

It was in keeping with New Zealand's position in the field of world agricultural production and trade that my Minister of Agriculture, the Right Honourable Mr Holyoake, was appointed Chairman of the recent conference in Rome of the United Nations Food and Agriculture Organisation. This conference gave special consideration to the difficult problem of agricultural surpluses, a matter which receives the continuing attention of my Government.

My Ministers are gratified at the successful culmination of the Tasman pulp and paper project at Kawerau. The pulp and newsprint mills have been operating for some months, and the sawmill recently came into partial operation. Before the end of 1955 many New Zealand newspapers published complete editions on Tasman newsprint. During the coming year, products from the mills will be