

A Ministry of Civil Defence has been established as a precautionary measure to ensure adequate preparation against unnecessary death, injury, or widespread dislocation of our national life in the event of an emergency.

The rehabilitation of our ex-servicemen, is, in general, nearing completion but my Government intends to continue its efforts in this direction as long as the need is present. The rates of certain war pensions and allowances have been further increased during the past year and some relaxation provided as regards means test requirements.

The state of our national economy, as compared with the position when I last addressed you, had been strengthened appreciably and the outlook is more encouraging now than at any time during the past two years. The improved balance evident in our external position is in no small degree attributable to the corrective measures adopted by my Government last year, which brought the volume of imports into more realistic alignment with our current earnings, and which made suitable adjustments to the level of internal demand. The increase in New Zealand's reserves of overseas exchange during the year has arisen from borrowing undertaken by my Government to mitigate the disturbing adverse movement in our terms of trade. This recovery, and the improved prospects for the immediate future, should permit a substantial reduction in the amount of overseas borrowing during the current year, together with the continued easing of import controls as circumstances permit.

In the determination of economic policy, my Government will continue to pursue the objective of increased production, both for local consumption and for export, in order to maintain our living standards and to provide full employment for our increasing population. This involves a vigorous policy of national development for which adequate loan finance is essential if recourse to taxation revenue is to be avoided.

Estimates of expenditure will, in due course, be placed before you for your consideration.

My Government is continuing its land development and settlement policy and programme, and financial assistance will be available on a liberal scale to farmers on marginal land to assist in making their holdings economic. Appropriate steps will be taken to guard against undue aggregation of farm land.

The improving prospects overseas for our primary produce give no ground for complacency and these industries must adapt themselves, speedily and efficiently, to the changing requirements of sound marketing. This will involve seeking not only diversification in overseas markets themselves but also a greater degree of flexibility in our agricultural production at home, coupled with improved quality and a reduction in unit costs. My Government is confident that the efforts and cooperation of those concerned will contribute materially towards this goal. Vigorous measures will continue to be taken in combating the effects of those diseases from which our livestock herds are liable to suffer.

My Government is happy to record that the area of wheat harvested in the current season is about twice that of the previous one, with an average yield at the highest level yet known in this country.

You will be asked to consider Bills aimed at strengthening the campaign against hydatids, improving the present law as regards the protection of animals, and providing suitable measures for the control of agricultural chemicals.

Our forest resources and their utilisation continue to occupy the attention of my Ministers and it is proposed to intensify the planting of exotic forests to meet local needs and the requirements of a developing export trade. In this field the problems of soil erosion and the ravages of noxious animals are matters of concern and my Government is pushing ahead with measures to counter these threats to our national heritage.