HoNoURABLE MEMBERS OF THE HOUSE OF REPRESENTATIVES

The period since I last addressed you has been marked by the joyous event of the birth of Prince Andrew. The people of New Zealand have joined all Her loyal subjects in expressing to Her Majesty the Queen and His Royal Highness the Duke of Edinburgh their profound feelings of pleasure and devotion on this happy occasion.

The marriage of Her Royal Highness Princess Margaret to Mr Antony Armstrong-Jones revealed again the deep affection of all the peoples of the Commonwealth for the Royal Family. My Prime Minister has conveyed personally to Princess Margaret and her husband the most sincere wishes for their future happiness felt by all citizens of New Zealand and its island territories.

Last year I had the pleasure, in company with my wife, of visiting the island territories for whose administration New Zealand is responsible. In all the island groups we were received with great kindness and hospitality.

During much of the period since I last addressed you there was a reduction of international asperities and a relaxation of tension. A Summit Conference, it appeared, could result in an advance towards the settlement of international differences. In recent weeks these expectations have been abruptly denied.

My Government cannot regard the failure of the Paris meeting as a fitting or final response to the obligations and hopes which people everywhere have placed upon the great powers. It fervently believes that contacts at the highest level should be revived so that before long talks may be resumed. My Government, for its part, will do all within its power to diminish international friction and to give greater meaning and effectiveness to measures of international cooperation.
In the meeting of Commonwealth Prime Ministers, at the SEATO Conference, and in his recent visits to countries of Western Europe and the Soviet Union, my Prime Minister has expressed New Zealand's own viewpoint on matters of vital international concern and has sought to learn at first hand the attitudes of other countries.

Both inside and outside the United Nations my Government has continued to stress the urgent necessity for progress towards disarmament. It has joined in appealing to all states to refrain from nuclear weapon tests and has been encouraged to observe the substantial progress made towards an agreement on the permanent cessation of such tests under effective international control and supervision.

The meeting of Commonwealth Prime Ministers has given further indication of the strength of the Commonwealth. My Government remains dedicated to the principles of freedom and multi-racial partnership which underlie the Commonwealth association and the need to ensure good relations between all member States and peoples of the Commonwealth. My Government is confident that these principles will outlast transitory differences.

My Government has welcomed the emergence of Singapore as a self-governing State and looks forward with special pleasure to Nigeria's assumption of full Commonwealth membership later this year. It will be my Government's purpose to establish closer contacts with other Commonwealth Governments.

My Government continues to give close attention to international developments in Asia. On the borders of India, China's assertiveness has created a situation which is a cause for concern. My Ministers recognise that the progress of Asia will be profoundly affected by the actions and attitudes of a nation whose population equals one-quarter of the total world population and will number 1,000 million within 20 years.

My Prime Minister, in his visits to Malaya, Singapore, and Indonesia, has further developed contacts with the leaders of neighbouring countries. My Government was pleased to welcome the Prime Minister of the Federation of Malaya, Tunku Abdul Rahman, who made a State visit to New Zealand late in January.

Through the Colombo Plan, the United Nations, and the South-East Asia Treaty Organisation my Government has cooperated in the efforts of Asian countries to find security based on economic and social welfare. My Prime Minister represented New Zealand at the recent meeting in Washington of the SEATO Council of Foreign Ministers.

My Government welcomed with considerable satisfaction the conclusion in December 1959 of a 12-nation treaty on Antarctica and attaches particular importance to the provisions for the permanent demilitarisation of Antarctica and the prohibition of its use for warlike purposes. New Zealand, together with other signatories, will be expected to ratify this treaty by the end of the year.

My Government has continued to give close attention to the movement towards economic integration in Europe. It has been concerned that New Zealand could face growing discrimination in access to European markets. My Prime Minister, in his talks with the leaders of European Governments has urged that the Common Agricultural Policy of the European Economic Community should be in keeping with the avowed liberal trading objectives of the Community. New Zealand's interests will be consistently pressed, not only on the members of the Community but also in GATT and the Food and Agriculture Organisation of the United Nations.

My Ministers are gratified that the improvement in the world economic situation, noticeable over the past year, is being maintained. Within New Zealand economic activity is at high levels in all sectors of the country's economy. It is the policy of my Government to cooperate with all sections of the Community to maintain this favourable trend without placing undue strain on the resources available.
There has been a marked strengthening of New Zealand's external reserves. For the first occasion for almost a decade overseas exchange transactions have resulted in a substantial surplus on current account. This was due mainly to the greatly improved returns for dairy produce exported during the past season and the recovery in world demand for wool. The marked improvement in New Zealand's wheat production made a significant contribution to the balance of payments.

My Government has pursued its policy of progressively easing restrictions on imports to the extent justified by balance-of-payments considerations. Nearly all currency-area discrimination has been removed from the licensing schedule. The rapid fall in dairy-produce prices earlier this year nevertheless emphasises the vital need for a country so dependent on external trade to maintain its exchange reserves at an adequate level. The volume of imports this year will be appreciably above the level of the previous year; the increasing supply of goods will make a valuable contribution towards meeting the higher level of demand resulting from widespread increases in income and from reductions in taxation which have recently come into effect.

A major revision of the Customs tariff will be introduced in 1961. This will give a measure of protection to New Zealand industry in accordance with my Government's programme of industrial expansion. The tariffs on certain items will be amended this year in anticipation of the 1961 revision.

The outcome of the public finances for the past financial year has already been announced and estimates of expenditure for the coming year, together with related financial proposals, will be submitted for your consideration.

My Government has pressed forward its policy of land development and settlement. The area under development has been substantially increased in the last two years. Particular attention is being paid to Southland and to the West Coast, where my Ministers recognise the need to hasten the change from a somewhat static economic position.

My Ministers consider that local training is the only satisfactory means of meeting the growing demand for the services of veterinary surgeons and have decided to establish a veterinary school in New Zealand.

A determined country-wide attack on hydatids disease has been undertaken. My Government is convinced that this campaign should be prosecuted until this unnecessary drain on human health and the national finances is eliminated.

Measures have been taken for the control of agricultural chemicals to protect the community and the primary producers. You will be asked to consider legislation to consolidate and revise the Fertilisers Act and the law relating to the protection of animals. You will also be asked to consider amendments to the Meat Act 1939 based on the recommendations made by the Commission of Inquiry into the Meat Industry.

My Minister of Forests represented New Zealand at the meeting of the Asia-Pacific Forestry Commission of the Food and Agriculture Organisation held in New Delhi last February. My Government is conscious of the need of Asian countries for assured timber supplies and has offered aid in forest research and training. It has given close attention to the need to ensure that New Zealand's forest resources are adequate for its timber, pulp and paper needs, and to supply overseas markets.

My Government has continued its positive policy of advancing the well-being of the Maori people and is carrying out land-development and housing programmes as fast as possible. In addition to general welfare and educational activities, increasing emphasis is being placed on the training of Maori farmers and on encouraging a greater number of Maori youths to undertake trade training. My Ministers deeply appreciate the valuable assistance rendered by voluntary Maori organisations.
In Western Samoa significant constitutional changes provided for in the Samoa Amendment Act 1959 came into effect on 1 October, when the Honourable Fiame Mata'afa assumed office as the Trust Territory's first Prime Minister. My Government, after consultations with the United Nations and the Samoan leaders, expects Western Samoa to achieve independence at the end of 1961.

The new refrigerated vessel, the *Moana Roa*, has been launched and should assist greatly in the economic development of the Cook Islands. You will be asked to consider a Bill to make certain amendments to the Cook Islands Act.

My Government has pressed forward its plan to maintain full employment and the standards of living of an increasing population. It has been particularly concerned to promote a balanced geographical pattern of industrial promotion. Proposals for the long-term development of the Chatham Islands are under consideration.

You will be asked to consider two Bills which will be of substantial benefit to the economy. One will authorise the construction of the Nelson-Blenheim railway. The other will validate and make provision for carrying out an agreement with Consolidated Zinc Proprietary Ltd. of Australia for the use of the water resources of Lakes Manapouri and Te Anau and of the Waiau and Mararoa Rivers to generate power for the development of industry.

The programme for the supply of electricity is under constant review. Works in hand are being pursued vigorously, planning has been put on to a definite basis, and every effort is being made to discover new sources of power. You will be asked to consider legislation to amend the State Supply of Electrical Energy Act.

My Government has set up a Committee of the National Parks Authority to work with the Ministry of Works and the Electricity Department in the overall planning of essential works. You will be asked to consider legislation to place a substantial area of scenic reserves under the control of the National Parks Authority.

The tenders for the Cook Strait rail-sea ferry are being examined and it is expected that construction will start before the end of the present year.

The report of the Committee of Inquiry set up last year to study the future development of the West Coast will receive the earnest attention of my Ministers. Measures have been taken to expand the market for coal. My Government has welcomed the active search for oil in New Zealand.

In the great majority of New Zealand's industries relations between employers and employees have continued to be good. The high incidence of industrial accidents, on the other hand, is still giving cause for concern and my Ministers are intensifying measures to promote safety at work. Prompt action last winter held unemployment in check and avoided the substantial problems met in other countries. You will be asked to consider legislation to amend the Apprentices Act, the Industrial Conciliation and Arbitration Act, the Workers' Compensation Act, the Police Offences Act, and also legislation concerning the removal of political disabilities.

The re-equipment and reorganisation of the Armed Services is proceeding. One new Whitby class frigate for the Royal New Zealand Navy will arrive in New Zealand early next year and a second vessel later in 1961. No. 14 Squadron of the Royal New Zealand Air Force will this year become operational as a light bomber squadron, equipped with Canberra aircraft.

The enlistment of the voluntary Territorial Force has proceeded at an encouraging rate and the development of the Regular Force, with particular emphasis on operational units, has been continued. The 2nd Battalion of the New Zealand Regiment moved to Malaya last year to relieve the 1st Battalion after its two-year tour of duty. Consideration is being given to the reorganisation of the Field Force of the New Zealand Army to increase its mobility and operational effectiveness.
My Government in December 1959 authorised payments of £12 for married couples and £6 for unmarried beneficiaries in respect of certain war pensions and social security benefits. You will be asked to consider legislation to increase the relevant benefits by 5s. a week from 30 March 1960.

By March 1960 nearly 15,000 applications for capitalisation of family benefit had been approved under the Family Benefit Home Ownership Scheme. Through this and other schemes introduced by my Government, the great majority of citizens now have facilities for the building of homes. For those unable to accept the responsibility of home ownership, rental houses will continue to be built at the accelerated rate approved last year.

Cooperation between the Police Force and Child Welfare Officers under the Juvenile Crime Prevention Scheme has proved most beneficial in dealing with child welfare problems. Further Child Welfare District Offices have been opened. Steps will be taken to bring into force this year approved standards for private "day nurseries". You will be asked to consider legislation making provision for a right of appeal from decisions of the Children's Court.

The Commission on Education established by my Government has begun its inquiry under wide terms of reference. Measures to ensure that improved staffing schedules will be in operation by 1962 have been approved. The development of technical education has been pressed forward.

My Government, together with the universities, is actively considering the report of the Committee on New Zealand Universities and has already implemented the Committee's recommendations on the salaries of academic staff. You will be asked to consider legislation to amend the New Zealand University Act 1908 to provide for the establishment of a new University Grants Committee.

My Government is reviewing the margins for skill and responsibility in rates of pay for the State Services to provide, where circumstances warrant, increased salary margins. Provision for this objective will be made in the departmental estimates. The new margins will take account of the adjustment of university salaries and of salaries already paid and other benefits granted outside the State Services.

My Government will give early consideration to the recommendations of the Select Committee set up last year to consider the licensing laws. You will be asked to consider legislation for the regulation of unit trusts, a Cheques Bill, and a Penal Institutions Amendment Bill to help the rehabilitation of prisoners.

My Government recognises the need for improved communications to meet increasing demands from a growing population and an accelerated industrial expansion. A telephone cable and radio route linking Auckland and Wellington with intermediate centres will come into operation this year. A multi-channel system between Dunedin and Invercargill, also to be completed this year, will be the first step to improved telephone communications in the South Island. My Government is cooperating with the Governments of the United Kingdom, Canada, and Australia in the construction of a trans-Pacific telephone cable to link this country with Australia and Fiji in 1962 and with Canada in 1964.

My Government has made the necessary arrangements for the earliest introduction of television in New Zealand. The service from the Auckland station is being expanded rapidly and equipment has been ordered for experimental stations in Wellington, Christchurch, and Dunedin. A continuous supply of good quality programme material has been assured. You will be asked to consider legislation to amend the Broadcasting Act 1936 to provide for the introduction of television.
My Government has authorised the re-equipment of the National Airways Corporation with the most modern aircraft. Agreement on the construction of a new airport at Mangere, Auckland, will ensure the completion of the chain of airports at the main centres. The international airport at Nandi, Fiji, the construction of which was directed by the New Zealand Ministry of Works, has been opened.

My Government has continued to encourage the development of the tourist industry, which has yielded increased earnings of foreign exchange. A Tourist Consultative Committee was established last year shortly before New Zealand acted as host to the Ninth Pacific Area Travel Conference.

The first Regional Commissioners for Civil Defence have been appointed to promote and coordinate local civil defence schemes under the general direction of the Ministry of Civil Defence.

My Government will give early consideration to the report of the Local Bills Committee on the structure of local government.

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.