

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.