

imports and the lower prices ruling for practically all exports, the normal seasonal recovery in overseas funds during the first half of the calendar year did not occur. The depressed state of the London butter market continues to be a matter of the gravest concern. My Government has consistently pressed New Zealand's interests by representations to the United Kingdom and to the butter-exporting countries as well as in the appropriate international agencies.

To meet these economic problems it has been necessary to intensify measures to restrain expenditure on imports and to take steps to meet the deficit in New Zealand's external financial transactions. A loan of £20 million was raised in London in May.

My Government has lodged formal applications to join the International Monetary Fund, the International Bank for Reconstruction and Development, and the International Finance Corporation. If the current negotiations lead to the offer of acceptable terms for membership, a Bill enabling New Zealand to join will be submitted for your consideration. A White Paper will shortly be presented to you in order that full information may be available before the matter is debated in this House and a final decision made.

To assist in the consideration of the broader aspects of economic policy, and to foster a wider public appreciation of the issues involved, a Monetary and Economic Council has been appointed. You will be asked to consider legislation to establish the Council on a permanent basis.

Estimates of expenditure for the coming year, together with related financial proposals, will be submitted to you. A Committee is examining ways to simplify the public accounts.

You will be asked to consider legislation providing for a new Customs Tariff to become operative on the same date as the 1962 Import Licensing Schedule. This Tariff will be the basic form of protection for efficient New Zealand industries. It will be supplemented as necessary by import licensing. In future, Orders in Council amending the Tariff are to be subject to ratification by Parliament. A Bill to establish a Tariff and Development Board to advise my Ministers on matters relating to Customs duties and import licensing will be submitted to you. It is proposed to set up a Manufacturing Industries Advisory Council to assist in the consideration of other problems of industrial development. You will also be asked to consider an amendment to the Trade Practices legislation and a Motor Spirits Duty Bill.

My Ministers are convinced that an assured supply of electric power is essential for the steady expansion of industry. Development plans have accordingly been reviewed and measures approved for the integration of the resources of both Islands so that, at all times and in any part of the country, an adequate supply will be available.

Negotiations conducted by my Ministers have ensured that the natural flora and fauna will have the fullest protection in the development of the aluminium industry in the South Island. A Bill will be presented to you to establish a Nature Conservation Council to act as the focal point for the views of all interested organisations and to provide coordinated advice on scientific and technical questions.

It is the policy of my Government to achieve the maximum degree of economy and efficiency in transport by rail, road, sea, and air. To allow the customer a greater freedom of choice, controls will be relaxed wherever this is possible without detriment to the public interest. Restrictions on the cartage of livestock in competition with the railways are to be completely removed; the limit of 30 miles on the carriage of certain goods by road is being increased to 40 miles.

The Dunedin Airport at Momona is nearing completion and fast progress has been made in the construction of the new international airport at Mangere, Auckland. Under an agreement concluded by my Government with Australia, Tasman Empire Airways is to become a wholly New Zealand owned airline with rights to operate to and beyond Australia. Its services will expand in the national interest as traffic develops.