

traders, and indeed of all sections of the community. They are giving urgent consideration to the steps which can be taken to implement the recommendations adopted by the widely representative Export Development Conference. In support of this drive to increase the sale, in both traditional and new markets, of the products of the primary and secondary industries my Ministers will also sponsor more trade missions, surveys, and displays in trade fairs, and will develop the Trade Commissioner Service further. In these efforts they attach special significance to the current negotiations for the expansion of trade with Australia which were agreed upon at the meeting in Wellington earlier this year of the Australia - New Zealand Consultative Committee on Trade, and which should secure wider and long-term opportunities for trade in forest products and for other exports of mutual interest.

In order to ensure that the tourist industry will have the modern accommodation it needs to make its full contribution to the earning of overseas exchange, my Government has introduced a system of loans and grants to the extent of £4 million which is leading to the building of new hotels and motels at key points. It has also authorised the Tourist Hotel Corporation to construct hotels at Waitangi, Franz Josef Glacier, and Lake Wanaka. You will be asked to consider a Bill to define the responsibilities of the Tourist and Publicity Department, and to acknowledge the advisory functions of the New Zealand Travel and Holidays Association.

My Ministers recognise, however, that the farm remains the foundation of the New Zealand economy and the principal source of overseas income. They are confident that, although problems certainly lie ahead, the diligent pursuit of market opportunities and the forceful presentation of New Zealand's case in forthcoming international negotiations can preserve and secure markets for an expanding volume of primary products at remunerative prices. This confidence is reinforced, moreover, by the international responsibility resting on efficient producers of foodstuffs to prepare to meet the dramatic and impending increase in human needs. My Government will accordingly press forward its policy of developing land for settlement and will otherwise assist farmers to secure the maximum efficiency in production. Agricultural research, experimental work, and extension services are being further developed; and increased attention will be given to problems posed by the use of chemical pesticides.

A Bill to consolidate the Meat Act 1939 and its amendments, as well as a measure to amend the Hydatids Act, will be submitted for your consideration. To provide the basis for the effective planning and coordination of scientific research you will also be asked to enact the National Research Council Bill which was first introduced at the Second Session.

Within New Zealand the restraints imposed in 1961 to deal with the pressure of excess financial demand were relaxed last year as the situation was brought under control. Bank advances have been reduced, imports have been restored to a more normal level, and there has been a marked recovery in savings. The nation-wide employment position continues to be buoyant but a better state of balance has been achieved. These factors, combined with the improvement in the level of overseas reserves, have laid a firm basis for an increase in production in the coming year.

Estimates of expenditure, with related financial proposals, will be submitted to you at an early date. You will be asked to consider amendments to the Public Revenues Act to implement recommendations made by the Committee on the Simplification of the Public Accounts.

It is gratifying that the restoration of the health of the economy has been matched by the growing confidence of industry and commerce. The Tariff and Development Board is actively engaged in the examination of and reporting on proposals for industrial development and the encouragement of local manufacturing. My Government will continue its active encouragement of sound industrial development and will in