

It is now widely recognised that, if economic development is to be soundly based, financial aid and technical assistance must be reinforced by the removal of obstacles to the expansion and free flow of world trade. My Government will support measures to secure this objective and will also intensify its efforts to ensure that commercial markets will be open to New Zealand's exports. To this end my Minister of Overseas Trade and my Minister of Agriculture have attended the meetings of the Economic Commission for Asia and the Far East and of the United Nations Conference on Trade and Development; and in the "Kennedy" round of tariff negotiations the New Zealand representatives have urged that the removal of obstacles to trade in agricultural products must go hand in hand with measures to promote the marketing of industrial goods.

During the past year higher prices for primary products, coupled with the incentives for farm investment introduced by my Government, have laid a firm basis for the steady increase of pastoral production. The 10-year livestock target recommended by the Agricultural Development Conference has been accepted by my Ministers who will continue to give the most careful consideration to the further recommendations of the Conference. Both the State Advances Corporation and the Marginal Lands Board have been provided with additional funds for advances to farmers for development and, in the case of the Board, for the amalgamation of uneconomic farms.

You will be asked to consider a Bill to consolidate the Meat Act and its amendments and to clarify the existing law. This step will complement measures already put in hand to ensure that New Zealand's exports meet the higher standards now being demanded by importing countries.

Negotiations are proceeding for the establishment of an Export Payments Insurance Scheme to provide a means for exporters to insure against commercial and political risks in overseas markets. An Industrial Design Institute will also be established to promote the improved design of goods for the export and domestic markets. My Ministers expect to submit legislation on both these matters for your consideration.

In the confidence that the work of the Fishing Industry Board will lead to a significant increase in export receipts, while also bringing worth-while benefits to the domestic consumer, my Government is reviewing the measures which should be taken to enable the industry to exploit the full resources of the waters adjacent to New Zealand.

The tourist industry has already demonstrated its ability to earn substantial amounts of foreign exchange and the building of more hotel and motel accommodation of a standard suitable for overseas visitors will therefore continue to receive the close attention of my Ministers. Steps are also being taken to promote better amenities in tourist centres where the resources of the controlling authorities are limited.

For the New Zealand economy the past year has been one of rapid growth. Good prices have been received for the major exports, particularly wool, and export income has reached a record level. This welcome rise in overseas earnings has been in part offset, however, by increased expenditure on imports.

Internal demand has been running at a high level, retail sales are well up, manufacturers are meeting a ready demand for their goods, and building permits indicate that the construction industry is also sharing in the expansion of the economy.

My Ministers recognise that, to maintain a steady rate of economic growth, it is essential that demand should not reach too high a level. They have therefore taken steps to reduce excess spending by means of the "wool freeze", increased deposits on hire-purchase sales, and through internal loans coupled with firm monetary policy. You will be asked to amend the Wool Proceeds Retention Act to provide for the withdrawal of money received from wool growers during the season just ending.