

Monetary and fiscal policies will continue to be directed towards balanced growth and higher living standards. My Government attaches particular importance to saving and will encourage investment, especially in those sectors of the economy which can produce more goods for export. Legislation to authorise the trading banks to operate savings branches will be submitted for your consideration.

Another measure will deal with the introduction of decimal currency in 1967 and provide for the appointment of a Board to organise the changeover to the new system.

The public accounts for last year show an overall surplus after taking account of all transactions. Estimates of expenditure for the current year, together with related financial proposals, will be submitted to you at an early date.

In the context of its policy of encouraging sound industrial development my Government will press on with the planting of new forests. It is in particular examining proposals which will lead to the establishment in the South Island of large-scale industries, parallel to those of the North, directed towards the full utilisation of an expanding supply of timber.

To ensure that there will be adequate reserves of power in the years ahead my Ministers have approved a five-year programme for the investigation of the hydrology and site conditions of all likely sources of hydro-electric power.

It is gratifying that scientific techniques are now being more widely employed in farming, industry, and forestry and in the proving of mineral resources and other fields. My Ministers welcome the decision of the newly established National Research Advisory Council to prepare a comprehensive report on priorities in research and on the possible need to modify or expand the present scientific establishment.

In order to create an additional source of capital for industry a Bill will be submitted to authorise the establishment of a Development Finance Corporation. Another measure will protect New Zealand's exclusive right to explore the continental shelf and to exploit the resources which may be found there.

In view of the ever-growing demands being made on the road transport industry, and in order to strengthen the financial position of the National Roads Board, you will be asked to enact legislation to implement my Government's decision that the remaining twopence of the fiscal tax imposed on petrol in 1958 should be transferred to the National Roads Fund.

My Ministers are convinced that modern and economic shipping services are of vital importance to the continued welfare of all sections of the population and that, if increased freight rates are to be avoided, there must be a substantial improvement in the turn-round of overseas ships in New Zealand ports. They have therefore appointed a special committee to consider, in the national interest and with a full appreciation of the views of all parties, the report on shipping, ports, transport, and other services prepared by committees appointed by the New Zealand Producer Boards and the British shipping lines.

In the field of housing my Government has further developed its policy of encouraging home ownership by introducing higher loan limits for those with suitable unencumbered sections and by lending for the purchase of existing houses. The building of rental houses for those who need this type of accommodation is being continued.

The increasing deterioration of the older areas in the large cities, together with the need to rebuild depressed localities, has been causing increasing concern to my Ministers. They have accordingly appointed a committee, drawn from the Municipal Association, interested professional bodies, and Government, to recommend action to meet the problem of urban renewal.