

My Ministers may therefore face the task of maintaining economic growth in agriculture and industry without the impetus provided by a rising trend in export income.

In order to moderate the pace of internal expansion, my Government has adopted a number of stabilising measures, including the freezing of a substantial proportion of Government loan receipts and the voluntary wool freeze. Among other measures, for which there is likely to be a continuing need, is the voluntary farm income stabilisation scheme which you will be asked to validate by legislation. It is the aim of my Advisers, through these policies, to ensure that the progress of New Zealand's economic development is maintained, despite fluctuations in export income.

My Government's financial proposals for the current year will be placed before you at an early date.

In the field of primary production, my Ministers have pressed forward with the review and implementation of the recommendations, numbering more than 120, adopted last year by the Agricultural Development Conference. The attainment of a 40 per cent increase in agricultural production by 1972 will, however, call for a concerted effort by all concerned. My Government therefore warmly welcomes the full cooperation being given by representatives of Federated Farmers and the producer boards in the work of the Agricultural Production Council.

In the last year loan finance provided to farmers through the State Advances Corporation was at a record level and greater emphasis was placed on loans for development. There has also been a notable increase in the finance provided through the Marginal Lands Board.

My Advisers are at present considering steps to increase the level of research in the light of the recommendations recently submitted by the National Research Advisory Council. They are also reorganising and intensifying the work of the farm extension services. It is their confident belief that all these measures, combined with financial incentives, will be of significant help in the efforts of the farmers to increase primary production at the required rate.

In the field of international trade, my Ministers have maintained their efforts, in negotiations with other Governments and in the appropriate international agencies, to preserve and expand the markets for the nation's products, both primary and secondary. Within New Zealand they will continue to promote sound economic industries in terms of the established criteria. Convinced that the building of a steel works using indigenous raw materials will be a step of especial importance, my Advisers will see that, during its period of development, the new enterprise receives all necessary financial and other assistance.

Steps are also being taken to promote the more intensive prospecting and exploitation of the country's other mineral resources. The recent meetings in New Zealand of the Commonwealth Mining and Metallurgical Congress were most timely in this regard in securing a wider appreciation of what can be achieved with new techniques. Mining ventures, however, still involve high risks and my Ministers are accordingly preparing legislation to extend the concessions already granted to the industry.

In order to increase the future supplies of timber for the expanding forest industries, my Government has liberalised the farm forestry loan scheme and is considering further measures to bring about a wider participation in the commercial growing of trees.

You will be asked to approve the Territorial Sea and Fishing Zone Bill. This will define the limits of New Zealand's 3-mile territorial sea in accordance with the rules laid down in the 1958 Geneva Convention; it will also provide for the establishment of a further 9-mile exclusive fishing zone for the use of the domestic industry.