

Estimates of expenditure for the current year, with related financial proposals, will shortly be placed before you.

For the first time, a wholly-owned New Zealand airline has begun operations to North America and Asia. Air New Zealand's services not only earn overseas funds but contribute, along with other Government measures, to the further growth of the tourist industry. The availability of regular air transport is also stimulating the sale of specialised export products. My Ministers have under active consideration the steps required to meet the developing needs of air communications, in the South Pacific as well as in the Chatham Islands and within New Zealand.

The measures which have been taken to foster the development of the fishing industry are already showing encouraging results. Assistance will continue to be given by means of financial and other incentives, training and research facilities, and the development of local and overseas markets.

In order to provide for the power needs of New Zealand's factories and the consumer, it will be necessary to double the generating capacity of the electricity supply system within the next nine years. My Government is confident that, with the necessary cooperation, this demand can be met in full from hydro-electric and other sources.

A Bill providing for the creation of a national authority concerned with all aspects of water administration and soil conservation is being prepared for your consideration.

A record number of houses were completed last year, many with the assistance of loans from Government sources. The National Housing Council has been called together to recommend targets for housing construction for the next five years.

There is deep concern at the number of traffic accidents on New Zealand's roads. Although the death toll is still one of the lowest in the world and has diminished this year, my Government attaches special importance to the work of the Select Committee appointed in 1965 to make recommendations for improved road-safety measures.

In the field of civil defence, national plans have been approved embracing the role of Government, the establishment of effective communications, the mobilisation of transport resources and the provision of essential supplies in the event of a major disaster. Further plans are being prepared in close consultation with regional and local authorities.

Discussions are being held with the interested organisations about possible amendments to the law relating to the observance of Anzac Day.

My Ministers are conscious of the fact that, as the development of New Zealand progresses, higher standards of secondary and technical education are needed to fit young people to discharge more fully their future responsibility as citizens. Additional steps will be taken in the reorganisation of secondary education in rural areas and there will also be a further study of measures to make the School Certificate examination an effective goal for more pupils.

To improve the quality of teaching in primary schools, three-year training is to be introduced at all teachers' colleges and a start has been made this year in Hamilton and Dunedin.

You will be asked to make a number of amendments to the University Acts and to the Education Act. A Bill will be presented to re-enact the Trades Certification Act and to clarify and amend certain of its provisions.

My Ministers have decided that a Royal Commission of Inquiry should be appointed to examine the present system of workers' compensation. It will be asked to report on possible changes in the legislation, including the introduction of a life pension scheme in substitution for the present lump-sum payments.