

New Zealand's international ties are varied and its international problems complex but above all it is a country of the South Pacific and must always have special regard for conditions and developments in its own region. The growing importance of New Zealand's relations with the countries of the South Pacific has been underlined by visits here earlier this year by the Prime Minister of Western Samoa, the Chief Minister of Fiji, the President of the Republic of Nauru and the Premier of the Cook Islands.

My Government looks forward to a continuing close relationship with the Government and people of the Cook Islands. In addition to the provision of an airport and the fostering of tourism and commercial activity in the Cook Islands, my Government will assist the Cook Islands with the building of a new general hospital.

A full member system of Government has been introduced in Niue and my Government will continue to give aid and advice in developing the Territory in accordance with the wishes of its people. A Niue Amendment Bill will be placed before you for your consideration.

During the Session you will be asked to enact legislation to give effect to minor administrative changes concerning the advancement of the people of the Tokelau Islands.

In September my wife and I will have the pleasure of visiting our fellow New Zealanders in Niue and the Tokelau Islands, as well as visiting Western Samoa, Tonga, and Fiji and we look forward to this event.

Honourable Members—During 1968 considerable progress has been made in strengthening New Zealand's balance of payments. Prices for some of our major exports have improved but others, notably those for cheese, have fallen and dairy prices generally are still depressed. Production for export has continued to increase and there has been a significant increase in exports of manufactured goods. Imports increased but were well within current earnings and as a result there was a current account surplus. This enabled my Government to repay a considerable volume of short-term external debt while maintaining the official reserves at a satisfactory level.

My Government's policies are designed to ensure that the economy will continue to derive the maximum benefit from devaluation. To this end my Ministers introduced additional measures last year to curb the excessive importing of various goods and to reduce the rate of increase in domestic expenditure. The combined objectives of my Ministers are to ensure that the rate of spending does not exceed the resources available and to keep the country's external transactions in balance.

The National Development Conference and the associated Conferences on Forestry and Tourism have now completed their work. The second and final plenary session of the National Development Conference which was held in these buildings last week, adopted national growth targets and challenging export goals for the next decade. The Conference endorsed a wide range of recommendations designed to promote economic growth and social development.

The development programme produced by the Conference represents a consensus among many diverse and competing interest groups in the community, which have endeavoured to put the national interest above sectional advantage.