

law which governs the extradition of fugitive offenders in the Commonwealth and a Bill will be introduced to implement the 1963 Vienna Convention on Consular Relations.

Honourable Members, provision for the defence and national security of New Zealand remains a fundamental obligation calling for long-term planning but with due regard for what is economically feasible for a country of this size. Despite the necessity to accept restraints in all areas of Government activity New Zealand has assured its Allies that it intends to honour its obligations although the character of our commitments may change from time to time. In seeking a modern and efficient form of defence organisation tailored to New Zealand needs my Government intends to introduce this Session two comprehensive Bills, a Defence Bill and the Armed Forces Discipline Bill which will consolidate last year's far-reaching reorganisation of Defence machinery.

Honourable Members, my Government is greatly concerned with the effect of the increases in farmers' costs because these increases cannot be recovered from export market sales. This has meant a fall in the farmer's net income and consequently a drop in the amount he is able to reinvest in farm development. This in turn will result in a slowing down in the rate of growth which must impair our ability to attain the National Development Conference production targets.

A detailed examination of the economic position of farming was undertaken last year by the Agricultural Production Council which was very helpful in framing the measures designed to assist farming, contained in the 1970 Budget. The Production Council is bringing up to date the material in this survey and intends making further recommendations to my Government.

My Government's basic objectives, which are shared by the farming community, are to help to ensure that farming remains a viable business, yet able to adapt itself to changing circumstances. Despite the present need for measures of restraint the longer term aim to diversify the New Zealand economy continues to be followed by my Government including the encouragement of industries directed to both the domestic and export markets. The establishment of a basic steel industry is moving steadily forward and the production of primary aluminium at Bluff is expected to begin later this year. The recent decisions by international motor corporations to establish plants for the manufacture of components for export is indicative of the growing strength of the manufacturing sector of the economy.

Late last year agreement was reached on the use of timber from the Kaingaroa Forest in a mill to be established in Hawke's Bay for the production of sawn timber and refined groundwood pulp for export to Japan. Plans are also well advanced for very substantial additions to the production of existing plants involving a capital investment of nearly \$200 million.

Exports of manufactured goods have exceeded the National Development Conference targets and my Government and commercial interests will continue their working partnership to promote sales overseas. This year my Government is sponsoring a number of trade promotions particularly in Australia. Plans have been made to expand export sales by trade missions, trade tours and the efforts of many individual exporters.

The tourist industry continues to make a valuable contribution to the economy and my Ministers have been pleased to note that for