

The Government welcomes the substantial progress that has been made towards reducing tension among the Great Powers and at the same time towards restoring peace in South-east Asia. Ministers recognise the need to maintain good working relations with all the Great Powers, particularly those whose policies have a major effect on peace and welfare in the Pacific region. They will foster New Zealand's already close relations with the United States and Japan. They have taken prompt steps to accord formal recognition to the People's Republic of China, and to establish diplomatic relations. They have directed that the question of opening a New Zealand diplomatic mission in Moscow at an early date should be examined together with ways of extending representation to other countries through accreditation from existing diplomatic posts.

Ministers were especially glad to have had an early opportunity to discuss issues of mutual concern with the Prime Minister of Australia and to strengthen the working arrangements for co-operation and consultation between the two countries.

Ministers regard the social, economic, and political advancement of the independent countries of the South Pacific as of major importance to New Zealand and will seek new ways to quicken its pace. They look forward to a further exchange of views in the near future with the Heads of Government of these countries.

In undertaking a review of existing multi-lateral arrangements in South-east Asia, Ministers are determined that New Zealand should continue to work closely with Asian countries and to make a positive contribution to the growth of regional co-operation. They welcome the agreements reached for the ending of the wars in Indo-China and earnestly hope that these will introduce an era of lasting peace and reconstruction. They have decided to double New Zealand's civil aid to those war-torn countries over a 5-year period.

The Government believes that the defence services, which are being reorganised on a totally volunteer basis, will also have an important role to play in constructive activities associated with New Zealand's assistance programmes for developing countries.

Honourable Members, to assist its policy of export promotion the Government intends to expand and strengthen its representation overseas and ensure that efforts in the diplomatic and trade fields are closely integrated. Special attention will be given to trade relations with the enlarged European Economic Community, Australia, and the South Pacific Islands.

Legislation will be introduced for your consideration to establish an export/import corporation to co-ordinate and expand overseas trading opportunities, particularly for those who lack resources to do this on their own account.

Although New Zealand is at present enjoying favourable prices for all major exports, the Government is well aware that this situation is unlikely to continue unless steps are taken to modify those agricultural production and trading policies which periodically produce world surpluses, undermine prices, and encourage new frontier restrictions. My Government will take the opportunity of the multi-lateral trade negotiations commencing this year within the General Agreement on Tariffs and Trade to seek a just basis for international trade in primary products.