

necessary to resort to arbitration. It is essential that restraint should continue in wage negotiations. New Zealand cannot afford excessive wage rises or industrial stoppages.

Farming continues to be the main source of our overseas income. Despite the deteriorating net incomes for farmers shown in the Agriculture Review Committee's report, the Government is committed to ensuring the continued viability and productivity of farming enterprises.

The Rural Banking and Finance Corporation will continue to give a high priority to finance for development and it will maintain its functions of granting loans for the settlement of young farmers, for the purchase of stock, and for the restructuring of essential debt. Policies which encourage the development of remaining areas of unproductive and under-utilised land capable of contributing to export earnings, and the establishment of holdings suitable for intensive horticultural production will be maintained.

Among the Bills affecting the agricultural sector, which will be submitted for your consideration, will be a Pesticides Bill to revise the Agricultural Chemicals Act 1959, and an amendment to the Meat Act to allow for more effective appeal rights against decisions of the Meat Industry Authority. The Noxious Plants Bill and the Milk Amendment Bill which are at present before a select committee will be further considered.

The Government's main activities in the international field will be designed to strengthen the economy at home. It will place special emphasis on moves to improve access to traditional markets and to open new export opportunities. It will engage in bilateral discussions on access and will also play an active part in the current multilateral negotiations under the General Agreement on Tariffs and Trade. Relations with the European Economic Community will be of continuing importance, particularly for the dairy industry and for our lamb export trade, which is faced with the prospect of a Community sheepmeats regime. The Government will spare no effort to protect New Zealand's vital interests.

1978 has been designated Export Year. Steps are being taken to help with the establishment of markets overseas for our manufactured exports. The strengthening of the trade commissioner service will be of material assistance.

Special efforts are being directed towards developing markets in North America and South-east Asia. However, this market diversification is not proceeding at the expense of strengthening our trading links with our more traditional partners. The consolidation of our NAFTA relationship with Australia will continue to receive high priority.

In fostering new projects which make the maximum use of our limited resources in economic and social terms, the emphasis will continue to be on the establishment of export-oriented industries which are soundly based on natural resources and can use the skills of New Zealanders.