

HONOURABLE MEMBERS, there are growing signs of a new mood of realism in the economy: workers are becoming more concerned with jobs than with unsustainable wage increases; other sectors are co-operating with the Government's anti-inflation policy by compliance with the price freeze. If this mood can be maintained, the Government is confident that New Zealand will be able to achieve its medium term goals of moving towards full employment and resuming sustainable growth.

Ministers have been studying various aspects of the economy with a view to promoting the best conditions for longer term development and economic growth. Existing development policies will be melded into a strategy which the Government intends to publish later this year.

Encouragement of growth in the regions is, and will continue to be, an integral part of national development. The Regional Development Councils have been working successfully with the Government. The assistance programme is being reviewed to determine better ways of providing finance, whether the scope of the programme should be extended, and which regions are most in need of assistance.

The recent instability of international oil prices is unlikely to continue in the longer term. Accordingly, fuel changes to CNG, LPG, natural gas or coal will continue to be encouraged. The Government is committed to the timely completion of the synthetic gasoline plant and the refinery expansion. This year will also mark the commencement of a new offshore drilling programme.

HONOURABLE MEMBERS, the international recession has strengthened protectionist pressures in many of our markets. The Government will counter these pressures and, by representation and negotiation, secure and maintain vital markets and the best possible trading conditions for our exporters.

The Government will maintain the production base of our traditional pastoral industries, recognising that support is still essential to take the agricultural sector through its present market difficulties. Support mechanisms such as supplementary minimum prices are, however, being reviewed in the context of support being received by other sectors.