

HONOURABLE MEMBERS, the New Zealand economy suffers from severe structural imbalances which express themselves in adverse external trading balances, large fiscal deficits, the past need to use direct controls to suppress inflationary pressures, high unemployment and low economic growth. The Government is committed to overcoming these imbalances by introducing integrated economic policies; these will be based on a programme of effective and equitable management.

In its programme of economic management, the Government proposes to take account of both the need for clear objectives and the need, through that open system of government to which it is committed, to involve all sections of the community in decision-making. Therefore representatives from a number of significant groups have been invited to join in an Economic Summit Conference next month.

The Government will place before the Conference a frank statement of New Zealand's economic position and of the Government's economic objectives. It will seek a commitment from all groups in the community to set aside sectional interests and to work together to achieve economic growth and increased opportunities for employment.

The aim must be to put in place policies which face up to the fundamental problems, yet provide assistance to those most in need. This approach is essential if we are to achieve increased employment and—in the medium term—sustained economic growth with internal and external balance. The task will not be easy. Sacrifices will be required from every New Zealander in order to overcome and remove the structural imbalances of our economy.

While restraint in wages will be necessary, the Government, in requesting such wage restraint, will ensure that the burden will be shared fairly throughout the community. For those groups which would otherwise carry a disproportionate burden the Government will provide assistance through a better direction of tax and social welfare assistance.

Lasting expansion in employment depends on the ability to achieve sustainable economic growth.

HONOURABLE MEMBERS, over the last 20 years New Zealand's share of world trade has dropped dramatically with grave consequences for living standards. Accordingly, the Government attaches high priority to achieving a faster rate of export growth. It must be emphasised that increasing the processing component of our products before export in ways which are responsive to market demands can contribute greatly to that objective. Every encouragement will be given to accelerating the process of adding locally produced value to our exports.

A Market Development Board will be established as soon as possible to co-ordinate the Government's export strategy.