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**T**HE Fourth Session of the Twenty-fourth Parliament of New Zealand was this day opened by the Governor-General, when His Excellency was pleased to make the following statement of the causes of the calling of this Session of Parliament together:—

HONOURABLE GENTLEMEN OF THE LEGISLATIVE COUNCIL, AND MEMBERS OF THE HOUSE OF REPRESENTATIVES,—

As this will be the last occasion upon which I shall have the privilege of addressing you in Parliament assembled, I desire to express to you, and through you, to persons of all classes and both races in this Dominion, my deep appreciation of the goodwill which has been consistently extended to me as the King's representative, and also to Lady Bledisloe, during our sojourn amongst you in a period of almost unprecedented economic adversity, and my earnest hopes for the future well-being of the people of this Dominion. We shall quit its shores with much reluctance and with many happy memories. I need hardly add that we shall not fail, after leaving a country in which we have experienced so much kindness, to grasp any opportunities which may hereafter present themselves to advance its welfare.

His Royal Highness the Duke of Gloucester will, with His Majesty's permission, be visiting New Zealand as the guest of my Government for a period of some five weeks from the 15th December next. I am confident that the people of the Dominion will, in pursuance of their steadfast loyalty to the Crown and their affection for His Majesty, accord to him a very hearty welcome.

My Ministers have followed the proceedings of the Disarmament Conference at Geneva with the closest interest and sympathy, and have consistently maintained their warm support of the cause of general disarmament and of the system of friendly collaboration in international affairs through the League of Nations. This policy they intend to continue.

The Native race made the last anniversary of the signing of the Treaty of Waitangi the occasion for celebrating the dedication of the Waitangi Estate to the people of New Zealand, and during the ceremony there were laid, adjacent to the old British Residency, the foundations of a carved Maori Meeting House, which they desired to associate with the site now vested in the Waitangi National Trust Board. The assembly provided striking evidence that the Treaty of Waitangi has served to unify the various tribes composing the Native race and to cement and perpetuate their loyalty to the British Crown, and the large combined gathering of pakehas and Maoris was a pleasing demonstration of the friendship and comradeship so happily existing between the two peoples.

During your Parliamentary recess the Trade Agreement between His Majesty's Governments in Canada and New Zealand, which was executed in 1932, has been extended until the 24th May, 1935.

The report of the Commission which was appointed on the 9th May, 1933, to inquire into the Customs Tariff of the Dominion has now been received and will be laid before you at an early date. Legislative amendments of the Tariff, embodying, *inter alia*, the obligations undertaken by this Dominion at the Ottawa Conference, will be prepared for your consideration during this session.

The Commission appointed to inquire into certain matters affecting the administration of Native Affairs has not yet completed its investigation. Its report will be submitted to you in due course.

MR. SPEAKER AND MEMBERS OF THE HOUSE OF REPRESENTATIVES,—

During the past year there has been a gratifying change for the better in the economic position and the future outlook. The steady progress towards trade recovery now being effected in the United Kingdom, which is the principal market for our exports, augurs well for this Dominion. New Zealand has already received substantial benefit from the marked recovery in the price of wool and from the less spectacular but welcome improvement in that of meat and its by-products. As a result, an appreciable section of our farming community are now receiving a more adequate financial return from their commercial enterprise.

Not only is trade generally benefited from the expenditure of this additional income, but, as the result of the psychological reaction to rising prices, confidence is engendered in business, and the whole community is enheartened and initiative stimulated.

The most serious problem awaiting solution is that of the dairy industry, which plays a part of ever-increasing importance in the economic life of this Dominion. The export prices of butter and cheese have remained at a low level, and, in addition, the welfare of the industry is threatened by an oversupply of these commodities to the markets of Great Britain. This is a problem to which my Ministers have devoted much anxious thought, and at present every aspect of it is being fully investigated by a Commission.

Past experience has demonstrated that an abundant supply of cheap credit is a powerful factor in overcoming economic depression, and since the development of the present world-wide crisis my Ministers have steadily pursued a policy calculated to lower interest rates within the Dominion. Following upon the successful conversion of the internal public debt, rapid progress is now being made with the conversion of the securities of local bodies. The success of this policy is evident from the fact that market rates of interest have already fallen to a level appreciably lower than those fixed as a basis for the conversion operations.

As part of the policy of economic readjustment it has been found necessary to effect by statute a general reduction in the rates of interest on mortgages. This was a temporary measure, but the position has now been generally stabilised by the fall of the market rates of interest for this class of investment to the statutory minimum rate, and, in some cases, below it.

The establishment of the Reserve Bank of New Zealand is now in progress, and it is anticipated that the deliberate management of the monetary system by a national institution, specially constituted for that purpose, cannot fail to be of material benefit to the people of the Dominion.

As a result of the economic crisis, there has been a widespread belief among certain sections of the community that serious defects exist in our monetary system. Accordingly, my Ministers, in their desire to explore every avenue which might aid recovery or prevent a recurrence of serious economic difficulties, have set up a Committee to consider suggested improvements in the existing system. The report of this Committee will be placed before you at an early date.

The improvement disclosed by the Public Accounts for the past financial year, as compared with the Budget forecast, is a satisfactory feature and an indication of marked improvement in the financial position of the Dominion. In the conditions existing when the Budget was presented, a deficit exceeding £2,000,000 was contemplated, and the reduction to approximately one-third of this estimated deficit, by reason of unexpected buoyancy in revenue and of economy in public expenditure, is a source of gratification to my Ministers. Their earnest attention is being directed towards maintaining this improvement.

HONOURABLE GENTLEMEN OF THE LEGISLATIVE COUNCIL, AND MEMBERS OF  
THE HOUSE OF REPRESENTATIVES,—

The Government have given close attention to the question of land-settlement, and steady progress has been made not only in the extension of general settlement under the Land Act, but also in the placing of unemployed men on the land under the provisions of the Small Farms (Relief of Unemployment) Act. As the process absorbs a large amount of surplus labour, and at the same time tends to meet the demand for improved holdings at a minimum cost, my Ministers are continuing the policy of developing and equipping with roads areas of unimproved Crown land, and partly improved estates acquired for that purpose, with the assistance of funds made available by the Unemployment Board. Since I last addressed you many settlers have been successfully established on such areas, and the blocks now in course of development will provide a large number of holdings suitable for diversified types of productive enterprise.

Although unemployment still continues to be a difficult social and economic problem, my Ministers are gratified to state that the number of persons receiving assistance from the Unemployment Fund is appreciably lower than it was during the corresponding period of last year. There are indications of a gradual but definite return to more normal conditions, and it is confidently anticipated that the reabsorption of registered unemployed in their usual occupations will continue to increase. My Advisers, however, are firmly impressed with the necessity of making every effort to accelerate this movement, and are accordingly using all means within their power to stimulate trade and industry in the Dominion, and to encourage the opening-up of further avenues of permanent employment.

The Mortgagors and Tenants Relief Act has afforded a welcome respite from financial stress to the many mortgagors who found themselves faced with insuperable difficulties through recent adverse economic conditions. The several Commissions constituted in pursuance of this legislation have rendered valuable service in investigating and recommending bases of arrangement between mortgagor and mortgagee. The provision made in your last session to include stock mortgages in adjustment schemes framed under the Act has conduced to its more equitable administration. To prevent possible hardship in the case of current mortgages, it is deemed advisable to extend the effective period of this legislation for another two years, and proposals to this end will be placed before you.

With a view to improving the defences of the Dominion my Ministers have taken measures to develop the Air Force, to establish anti-aircraft batteries, and to strengthen the coastal defences of the Dominion. Orders have

been placed for the first instalment, consisting of two flights, of general-purpose land-planes, and for the first of a number of advanced trainer aircraft with the necessary spare parts and equipment. The initial orders for anti-aircraft and coast-defence armaments will, it is hoped, be executed by the end of the current financial year. The establishment of a chain of landing-grounds for aircraft throughout the country has also been put in hand.

With the object of stimulating interest in the Territorial Force, my Ministers have decided to grant pay for prescribed courses of training carried out locally, in addition to training in camps.

The existing charts of the New Zealand coast have been found to be insufficiently complete to meet the full requirements of ocean transport, and ships are frequently delayed owing to difficulty in determining their exact position under conditions of low visibility. Navigation instruments are now obtainable, by the aid of which these delays could largely be obviated, if the coast-line and neighbouring sea-bed were fully and accurately charted. My Ministers have been in communication with His Majesty's Government in the United Kingdom, and have been informed that a suitable surveying ship will be available to undertake this work in 1936, when it is contemplated that the question of providing the necessary funds will be brought before Parliament.

Bills will be submitted for your consideration amending the law relating to British Nationality and Status of Aliens, cinematograph films, commercial trusts, distress and replevin, the slaughtering and inspection of live-stock, River Boards, mining, and poisons.

I earnestly pray that Divine Providence may continue to direct your deliberations to the advancement of the welfare of this Dominion.