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 EXTRAORDINARY

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THE First Session of the Twenty-seventh Parliament of New Zealand was on the twenty-second day of February opened by Commissioners under the authority of Letters Patent, and His Excellency was this day 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,—

My Ministers have been fully seized of the importance of affording you early opportunity of discussing matters relating particularly to the Dominion's effort in the war and its prosecution, and in conformity with their advice this first session of the new Parliament has been summoned as soon as circumstances permitted.

Since I last addressed Parliament the war situation in nearly every theatre has shown a vast improvement, and to-day the fortunes of the United Nations engaged in this world struggle against the forces of aggression are in the ascendant. The sustained offensive on land, sea, and in the air has rendered the defeat of Nazi Germany more certain and more imminent. The military and productive centres of Western Europe have been, and are being, ceaselessly bombed in preparation for the Allied invasion, and in no theatre have the Forces of the United Nations achieved greater results than have those of our Russian Allies in Eastern Europe. It is upon this groundwork that other victories have been based and hopes of further victories have been built. Here in the Pacific the menace of Japan has been removed further from our shores, and the initiative has been taken from the enemy. The peoples of the United Nations everywhere fully realize that the phase of supreme effort has now arrived and that bigger and more costly battles are still to be fought. Though our enemies are in retreat their Forces have not yet been overcome, and, while final victory is assured, the end is by no means in sight.

During the past year, as throughout the whole of this war, the New Zealand people, Maori and pakeha alike, have contributed to the common cause to the full extent of their resources. It is a source of justifiable pride that Forces of this Dominion are still foremost in the attack and that the devotion of the total effort of the country to the purposes of war continues to be the foremost aim.

The Second New Zealand Division, under the command of Lieutenant-General Sir Bernard Freyberg, after fighting with great distinction in North Africa, is now in the spear-head of the Italian offensive. In the Pacific the Third New Zealand Division, under Major-General Barrowclough, after many months of training, has been assigned an offensive role in which it has already acquitted itself most creditably with the capture of Vella Lavella, the Treasury Islands, and the Nissan group. It was a great pleasure to me in November of last year to be able to visit the men of this Division, to see for myself the conditions under which they were fighting, and to learn of the high regard in which they were held by the American Commanders of the Allied Forces in the South Pacific area.

In the forward areas, as in the Dominion itself, relations with the American Forces have been characterized by the spirit of mutual assistance in all forms of practical aid. The intimate bonds cemented on the field of battle will, I am certain, serve to strengthen still further the friendship and understanding which have for so long existed between the two peoples.

As a result of the operations in the Pacific, greatly increased responsibilities have been laid upon the Royal New Zealand Air Force, and its expansion to full establishment for its important share in the offensive has been pressed forward with the utmost vigour. The airmen of this Dominion continue to be strongly represented in the European theatres of war, while at the same time playing an increasingly important part in the defeat of Japan. The Royal New Zealand Navy has also participated most successfully in the operations in the South Pacific while maintaining the defences of the ports of the Dominion against possible attack.

The mobilization of the total resources of New Zealand in man-power and materials for the successful prosecution of the war remains the foremost aim of my Government's policy. After four and a half years of hostilities the stage has been reached, however, when resources of man-power suitable and available for service in the Armed Forces must be balanced with those required for other essential wartime purposes. It has been found possible, with the recession of the threat of Japanese attack, to reduce the Forces maintained for home defence. The Territorial Army has been reconstituted on a part-time basis, and the Home Guard, which in the time of crisis rendered such excellent service, has been placed in the Reserve. Demobilization from the Territorial Army has resulted in the release of men to industry and made available additional men for the Expeditionary Forces and for the other Armed Services. Furthermore, the diminution in the demands of the Armed Services, particularly in regard to production for military needs and defence construction work, has enabled further reductions to be made in the labour force of the Dominion indirectly engaged in war work.

My Ministers are concentrating particular attention on the problem of augmenting the labour forces available to food-production, together with the continued review of men held from military service in other industrial undertakings. The present year will also require a fuller utilization of the services of women and a more rigorous policy of moving workers to industries and services of the highest priority. Among the more urgent matters to be dealt with this session will be a review of the Dominion's man-power requirements, particularly as regards the balance between the Armed Forces, food-production, and other essential commitments.

The production of foodstuffs and other raw materials for the United Kingdom, for the American Forces in the Pacific, and for our own servicemen is more imperative than ever, and calls for efforts no less vital in the achievement of victory than the successful accomplishment of military operations. The increasing difficulties which New Zealand and the other Dominions have experienced during the past two years in fulfilling the heavy demands made upon their food-production have given rise to a growing fear lest their exportable surplus should be insufficient for the continued maintenance of the already meagre rations of butter and meat to which the people of Great Britain are limited. In order to increase the exportable surplus, and thereby assist in the maintenance of the British ration, it was deemed necessary in October last to ration butter in New Zealand. More recently, and for a similar reason, it has been decided to include meat in the rationing system. The inconvenience involved in the rationing of these two important foodstuffs has been, and will

continue to be, accepted willingly by the people of the Dominion in the knowledge that their sacrifices in this respect will contribute materially to the food resources of their kinsfolk in the United Kingdom whose heroic spirit throughout the war period, despite the hardships of severe food-rationing, has been an inspiration to all.

As one of the United Nations, New Zealand has assumed heavy and important responsibilities which must be borne to the full extent of the country's resources until final victory is won. In the ultimate settlement of peace the effective voice that New Zealand desires, and is entitled, to raise will undoubtedly depend in large measure not only on the contributions and the sacrifices already made in the common cause, but also upon the heavy burdens which it is found possible to maintain during the remaining course of the war. While sustaining its military effort to the maximum extent it is essential that New Zealand should at the same time collaborate with the other United Nations and, in particular, with the members of the British Commonwealth in all plans for the attainment of final victory and for the preparations for peace.

There has been the closest consultation on all these matters with the United Kingdom and with the other Dominion Governments, and my Prime Minister will shortly attend a Conference in London for the purpose of exchanging views with the other Prime Ministers of the British Commonwealth on matters of common interest.

Of greatest significance for the more speedy defeat of the enemy and for the possibility of a lasting peace have been the recent momentous conferences between the leaders of the great United Nations at Cairo and Teheran. These meetings were preceded in Moscow by that of the Foreign Secretaries of the United Kingdom, the Union of Soviet Socialist Republics, and the United States of America, which foreshadowed the establishment of an international organization of all peace-loving nations to maintain peace and security in the post-war period, and paved the way for the still more authoritative meetings between the heads of the three Governments. For the first time the great leaders met face to face and made common cause. At the Cairo Conference far-reaching decisions were made covering the prosecution of the war against Japan, and a declaration was issued denoting the intention of the allied powers to deprive Japan of the territories she had acquired by aggression. Plans for the joint conduct of the war against Germany during the coming year were concerted at Teheran and decisions made which will bring it to a speedier conclusion.

In these and other international discussions my Government have been kept advised and have, whenever necessary, stated their views. It has, in fact, been their constant aim to ensure that New Zealand shall participate to the full as a Sovereign power in discussions and plans for the reordering of world affairs.

My Government have participated in a number of international conferences directed towards world reconstruction, and on the 9th November, 1943, signed the Agreement providing for the establishment of the United Nations Relief and Rehabilitation Administration.

Arrangements are being made for the representation of this Dominion at the conference of the International Labour Office to be held in the United States of America in April next.

The question of New Zealand's participation in discussions relating to post-war international economic collaboration has been constantly under review. In their study of proposals relating to international monetary and exchange control, and questions of post-war commercial policy, my Ministers regard it as essential that a high level of employment in all countries should be a fundamental condition of better standards of living throughout the world. They trust that it will be possible to obtain an international agreement to pursue in all countries domestic policies aimed at full employment, and to this end it is proposed to advocate and support, in the transition period from war to peace, such forms of international economic collaboration as should make it unnecessary for countries to adopt policies of aggressive economic nationalism.

It affords me particular pleasure to refer to the continued close and happy relationships existing between the peoples of Australia and New Zealand, who, in the common peril of the war in the Pacific, have been brought together as never before. As a result of the discussions held last month in Canberra, in which my Government was represented by a delegation headed by my Prime Minister, there have been embodied in an Agreement principles of permanent co-operation between the countries, both for the present and for the post-war period. The agreement between the two Governments and the provision of permanent machinery for consultation should be of great mutual benefit. The holding of this Conference and the Agreement resulting therefrom are a logical development of the principles of the British Commonwealth of Nations, the membership of which is in the very forefront of the policy of this Dominion. I am convinced that as a result New Zealand will be enabled to play a progressive and useful part in improving not only the lot of our own peoples, but of all the peoples of the Pacific, and will take her full share in the preservation of the future peace of the world.

During the session my Ministers propose to place before Parliament the question of the adoption of the Statute of Westminster, the enactment of which would bring New Zealand into line with the other self-governing Dominions. The adoption of this measure will remove doubts in the eyes of foreign powers regarding the Sovereign status of New Zealand, and will at the same time have the practical effect of removing existing legal drafting and administrative difficulties both in New Zealand and in the United Kingdom.

It is with great pleasure that I refer to my recent visits to the Pacific Islands, where I was everywhere most hospitably received. I was extremely gratified to be able to spend some days in the Mandated Territory of Western Samoa and also to visit the most northern of the territories of this Dominion, Penrhyn Island. In both places the general atmosphere was very happy indeed, and nothing could have been more wholehearted than the loyal welcome accorded to me. My tours also included Norfolk Island, Fiji, Tonga, American Samoa, New Caledonia, New Georgia, and the Solomon Islands, where I was able to visit the New Zealand Forces, including the Third Division, squadrons and other units of the Royal New Zealand Air Force, and ships of the Royal New Zealand Navy.

My Minister of Armed Forces and War Co-ordination has also visited the New Zealand Forces serving in the South Pacific, and my Minister of Defence was able last year to pay a visit to the Second Division then located in North Africa, as well as to the Third Division in the Pacific and many other units of the Armed Services throughout the world.

My Ministers have been giving close and constant attention to the welfare of the peoples of the Island territories. In progress and impending are gratifying extensions in the educational and medical services of Western Samoa and the Cook Islands, and at the same time equipment and materials for expansion of public works and utilities are being supplied in appreciable quantities.

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

The demands of war continue to impose on the Dominion's national economy heavy burdens, which the people, with a patriotic sense of their responsibilities, are willingly bearing.

The civil portion of the public accounts reflects a buoyant revenue position, and the results to date show that expenditure is being maintained within the revenue available. The War Expenses Account, which is now the principal of the State's financial responsibilities, indicates the substantial extent to which the financial resources of New Zealand are being diverted to the prosecution of the war.

The Third Liberty Loan of £35,000,000, which was offered to the public for subscription in June last, met with a most gratifying response from all sections of the community and was substantially oversubscribed. My Government contemplate raising a further war loan early next financial year towards next year's requirements.

Satisfactory arrangements have been made in regard to the conversion of a loan of over £7,000,000 sterling which is due for repayment in London on the 1st March next. A conversion offer has also recently been made in respect of nearly £10,000,000 due for repayment in New Zealand.

In accordance with my Government's policy of extending the benefits of the social-security legislation wherever practicable it is proposed to make more adequate provision to meet the payment of domestic or nursing assistance in cases where invalids are maintained in the home.

My Ministers are examining the practicability of assessment for income-tax for each year being based on the income earned during that year and also of providing for payment of the tax being spread over the year.

Preliminary steps have been taken by my Government towards the determination and settlement of the long-standing Maori land claims in both Islands, and it is anticipated that during the course of the present year such progress will be made as will permit of finality being reached.

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

My Government are of the opinion that the present and future welfare and progress of the Dominion are largely dependent upon the prevention of inflation and the safeguarding of the basic standards of living of the people, and they are determined that the stabilization of costs and prices will continue to occupy a foremost place in their economic policy.

My Advisers are devoting much attention to the problems involved in the rehabilitation of ex-servicemen and ex-servicewomen, and are determined that every possible assistance will be given to them in the difficult task of re-establishing themselves in civil life. Considerable progress has been made in this direction during the past year. The rehabilitation organization has assisted thousands of men who have returned from overseas or who have been demobilized after service in New Zealand to obtain or build houses, to establish themselves in business, to take up land, or to complete their education and trade training.

The administrative system set up under the Rehabilitation Act, 1941, has been extended in several important respects, and last year a Minister of Rehabilitation was appointed who will be wholly responsible for rehabilitation policy.

The settling of ex-servicemen on the land is regarded as of special importance, and considerable areas are being acquired and developed for this purpose. A farm-training plan has been put into operation so that inexperienced men can be fully trained before they begin farming on their own account.

My Government are deeply conscious of the outstanding contribution to the Dominion's war effort by the Maori race, whose devotion to the cause of freedom the deeds of the Maori Battalion have so strikingly demonstrated, and proposals have been formulated which will ensure that Maori ex-servicemen and ex-servicewomen can participate fully in all the benefits under the rehabilitation schemes.

In common with other countries involved in the world conflict, New Zealand is suffering from an acute housing shortage. One of the main causes of the present situation is that, on Japan's entry into the war, practically all house-construction was necessarily suspended in order that the effort of the country could be concentrated upon works directly connected with defence. Now that the Japanese menace has further receded and the greater proportion of the urgent defence works has been completed, building-materials and labour are being released to an increasing extent for the construction of dwellings, and my Government are pressing on with all possible expedition with an extended housing programme that has already been planned by my Minister of Works.

Shortage of labour, lack of fertilizers, and adverse climatic conditions in many districts have unfortunately tended to reduce the Dominion's dairy production. This fact is causing my Government much anxiety, and my Minister of Agriculture is at present devoting close attention to the introduction of a new and comprehensive programme for increased farm production.

The question of an annual holiday with pay for all workers has received full examination, and a measure will be submitted to Parliament during its present session. My Government have under consideration a proposal for the provision of a minimum home and family income as set out in the principles upon which they were elected.

In preparation for post-war developments in education it is proposed to convene a conference widely representative of organizations and individuals interested in education. The whole field of education will be open for review, but special attention will be paid to the needs of the pre-school child, the provision of facilities for adolescents, and adult education.

It is the intention of my Ministers, in the immediate future, to set up a Royal Commission to investigate fully the operation of the licensing laws of this Dominion and to make such recommendations as it thinks fit with a view to bringing such laws into line with the requirements of modern times.

Matters relating to State superannuation have been receiving the attention of my Government, and a Committee of my Ministers has been set up to make an examination into the question of anomalies and to submit recommendations for any necessary adjustments.

Recognizing the desire and the need in the Dominion for a further development of physical welfare and recreation, my Government have under consideration proposals for increased financial resources for this work, and more particularly, for the establishment of community centres for the people.

My Advisers propose to extend the provisions of the War Damage Act, 1941, to include insurance against earthquake damage.

I commend these matters to your earnest consideration and pray that in your deliberations you may be guided by Divine Providence for the safety and well-being of New Zealand and her Island Territories.