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THE Third Session of the Twenty-seventh 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 MEMBERS OF THE LEGISLATIVE COUNCIL AND MEMBERS OF THE HOUSE OF REPRESENTATIVES,—

I feel it a great privilege to have this opportunity of addressing you for the first time in Parliament assembled. I am deeply sensible of the honour conferred upon me by His Majesty the King in enabling me to associate myself, as His Majesty's Representative, with this Dominion, which has so long and justly prided itself on its traditions of loyalty to the Throne and its unswerving devotion to the British Commonwealth and the principles of democracy.

I have been very much moved by the warmth of the welcome everywhere extended to me and to Lady Freyberg. It is my earnest hope that I may, by God's will, be permitted to assist in some measure the forwarding of the prosperity and the development of the Dominion.

I have come to New Zealand at the conclusion of a struggle on which the fate of the British Commonwealth depended, and it is with great inspiration that I look back on the strength and determination with which the people of this Dominion, Maori and pakeha alike, engaged in the struggle against aggression.

In the year which has passed since Parliament last opened, final victory was achieved with the capitulation of Japan. After six years of strenuous effort and anxiety and sacrifice, the people of New Zealand gave thanks to Almighty God and rejoiced that they could turn once more to the ways of peace.

It is fitting on this occasion that I should record the undying gratitude of the nation towards all those who fought and worked, and, in diverse ways, contributed so selflessly towards the attainment of victory.

It shall not be forgotten that, for the sake of their fellow-countrymen and in the cause of freedom and justice, so many of the bravest of the two races, Maori and pakeha, gave up their lives.

It is, I know, the fervent desire of all that the gratitude of the nation should find expression in practical form, and that all possible assistance should be rendered to those who have returned, and to the dependants of those who have fallen. To this wholehearted resolve must be added the pledge that the people of New Zealand will do their utmost to ensure that there will be no recurrence of the tragedy of war which has engulfed the world for six long and terrible years.

Technically, the state of war still exists, and it is indeed most disappointing that the armistice regime should be so prolonged and that the final treaties which should usher in the state of peace should still be undetermined.

My Ministers share to the full the disquiet engendered by the lack of unity which has characterized peoples who were so united in the achievement of a common cause but a few months ago, and, because they are convinced that the maintenance of peace throughout the world is as vitally important as was the achievement of victory, my Advisers continue to make their fullest contribution towards the attainment of a just and lasting peace.

To this end my Government pledged itself to uphold and carry out the provisions of the Charter of the United Nations, which was signed a year ago to-day. Throughout the period since the cessation of hostilities my Ministers have devoted much care and attention to the problems associated with the conduct of international affairs.

My Prime Minister attended the first session of the General Assembly of the United Nations held in London in January and February of this year, and his report will be placed before you at a very early date.

One of the matters to be discussed at the second part of the first session of the General Assembly of the United Nations, which is to meet in New York in September, will be that of trusteeship. In accordance with the provisions of the Charter of the United Nations it is necessary for New Zealand, after discussion with the "states directly concerned," to submit a trusteeship agreement which will replace the League Mandate for Western Samoa. This document will be placed before you at as early a date as negotiations with the other States permit.

My Minister of Finance, the Right Hon. Walter Nash, represented New Zealand at the Conference of Prime Ministers recently held in London, at which were discussed problems relating to the international situation, the proposed peace treaties, British Commonwealth relations and defence, and the advantages to be derived from co-operation on economic and welfare matters in the South Pacific and in South East Asia.

Mr. Nash is at present engaged in discussions on financial questions and on the prices of New Zealand products. On his way back to this country it is anticipated that he will conclude with the United States Government a final settlement covering outstanding lend-lease and reciprocal-aid transactions upon which agreement in principle has been reached and the drafting of which is nearly complete.

Mr. Nash will also continue discussions with the United States authorities on the mutual use of island bases in accordance with my Government's desire to be closely associated with the Government of the United States and other Commonwealth Governments in responsibility for defence in the Pacific.

There is one problem the seriousness of which has never ceased to cause deep concern to my Government, and the deepening shadows of which have long suggested the inexorable approach of catastrophe. Following close on the privations of war, one of the worst famines in history is threatening with starvation hundreds of millions of human beings in India, in China, in Europe, and in almost every corner of the globe. By good fortune our country has escaped this culminating disaster, but for no nation is there any escape from the responsibility to save human lives.

In spite of the drought which has seriously impaired New Zealand production, and although New Zealand has not herself sufficient cereals for her own requirements, the fullest measure of assistance is being afforded to the distressed countries. The extraction rate in the manufacture of flour has been increased in order to reduce wheat importation, and my Government have recently called for a national campaign which, by encouraging increased production, the saving of fats, the voluntary surrender of coupons for rationed foodstuffs and the elimination of waste, aims at augmenting food exports to the United Kingdom so that they may be used to relieve the present distress and provide for even greater assistance next season when the crisis will still be severe.

My Government have also taken a full share in the work of the United Nations Relief and Rehabilitation Administration, and have participated in all the principal meetings of its Council and its Far Eastern Committee. When it became apparent that the resources of the Administration, based on the initial contributions of member countries, would be totally inadequate for the programme to which the Administration was committed, my Government, in response to an urgent appeal from the Council, felt New Zealand could do no less than make another contribution comparable to its first, and it is proposed to submit to Parliament at an early date the legislation necessary for this to be authorized.

My Government have also participated fully in the work of the Food and Agriculture Organization and have been invited to accept membership of the International Emergency Food Council, whose establishment was recommended at a special meeting on urgent food problems which the Organization has just held in Washington.

In the Far East, New Zealand has continued and further developed its association with other nations intimately concerned in ensuring that Japan does not again menace the peace of the world. From the time of the first meeting on 30th October last, New Zealand has been among the nations represented on the Far Eastern Commission. When that body paid a brief visit

to Japan in January, the New Zealand delegation, led by Sir Carl Berendsen, had a valuable opportunity to acquire first-hand impressions of the country and of the occupation machinery. Since that time Sir Carl Berendsen, as a member of the Commission and Chairman of its Steering Committee, has continued to give vigorous expression to the views of my Government.

It is a source of particular pride that New Zealand was able to respond so speedily to the call for a force to assist in the garrisoning of Japan. This force is both a symbol of Commonwealth solidarity and an earnest of the sincerity of the efforts of this country for world security.

The New Zealand Brigade, totalling some four thousand, in association with a squadron of the Royal New Zealand Air Force, has assumed important responsibilities in its section of the British Commonwealth Occupation Zone. The bearing and efficiency of the troops has won high praise, and my Ministers are anxious to do everything possible for their welfare. The first draft of volunteer replacements has already landed at Kure, and with the despatch of another contingent from New Zealand next month it will be possible for the last of those who served with the 2nd N.Z.E.F. in the Central Mediterranean Force to return home.

The responsibilities which New Zealand bears as a Sovereign state in the comity of nations, and, in particular, the obligations which have been assumed under the United Nations Charter, necessitate the creation of an effective defence system. My Ministers are devoting the closest attention to wider questions of defence policy, and it is their intention at a very early date to constitute a new Council of Defence. Whole-hearted support will, I am sure, be given to the announcement of New Zealand's willingness to accept a greater proportion of responsibility in the sphere of British Commonwealth defence than has been accepted hitherto.

The interim Army which has been set up will form the basis of a post-war Force, and in the meantime it is being utilized in servicing and maintaining warlike stores, and recruiting and training volunteers.

Until the basis of the post-war Air Force is established, an interim Air Force has been formed, and in the Navy there has been an increased rate of recruiting for continuous service personnel.

A Civil Aviation Conference was held in Wellington during February and March, at which the Governments of the United Kingdom, Australia, Fiji, and New Zealand were represented. The Conference considered the establishment of British trans-Pacific air services and the organization of ground facilities in British territories in the South Pacific Area. The Governments concerned have since agreed to the recommendations of the Conference for the establishment of a South Pacific Air Transport Council and British Commonwealth Pacific Airlines.

During last year a Telecommunications Conference was held in London, at which all the Governments of the British Commonwealth were represented, and unanimous agreement has been reached in regard to its recommendations for the better ordering and strengthening of the telecommunication services of the British Commonwealth and Empire.

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

The considerable sacrifices which have been made during the six years of war have enabled the financial system of New Zealand to bear the strain in an eminently successful manner, and the new problems, in the transition from war to peace, can be faced with the fullest confidence. It is a source of much satisfaction that the whole of the obligations under the Memorandum of Security, amounting to £60,834,000, have been paid in full. This policy, and the further reduction of overseas indebtedness by £29,250,000 during the last financial year, have substantially reduced the obligation to pay interest charges on external debt with consequent relief from taxation, both present and prospective.

The impending reduction in war expenditure, however, justified the Government last session in passing legislation to reduce the national security tax, and taxation, both direct and indirect, is at present being reviewed with the object of affording further relief as circumstances permit. In particular, it is intended that there should be considerable reductions in the sales tax on certain commodities.

It is satisfactory to note that, in spite of the heavy and necessary demands which have been made on the State's purse from all quarters, the Consolidated Fund for last financial year closed with a surplus of receipts over expenditure of £1,254,000. This is in line with the equally satisfactory position which has been maintained during the whole of the war years. In the Social Security Fund, although the expenditure exceeded receipts by some £674,000, this was provided from the cash resources in the Fund at the beginning of the financial year. With the War Expenses Account, the expenditure exceeded the receipts by £6,000,000, but when account is taken of the fact that war loans were redeemed by £27,500,000, it will be appreciated that the results are satisfactory.

It is the earnest conviction of my Advisers that the economic conditions obtaining in New Zealand, as in other countries in the immediate post-war years, will make the continuance of economic stabilization a vital factor in the successful transition from wartime to normal peacetime economy. To this end the work of the Economic Stabilization Commission is being fully maintained, but modifications of some aspects of stabilization are under consideration in order to ensure adequate flexibility in meeting changes in employment and in promoting the expansion of production.

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

Over 156,000 men and women have now returned to New Zealand or have been discharged from service with the home Forces, and by far the most of these have settled back into civilian life.

The task of rehabilitation has, in the past year, been one of paramount urgency. In spite of many post-war difficulties, it has proceeded with encouraging smoothness. The machinery set up under the Rehabilitation Act has proved a sound basis for the very considerable amount of work which has been accomplished in this important field. My Government propose in the coming year to prosecute that task with the utmost vigour, believing that its successful fulfilment is vital to the economic prosperity and social well-being of the country as a whole. It is felt, indeed, that the work of rehabilitation will continue

steadily for the next five to ten years and will not be concluded until every serviceman and servicewoman—Maori and pakeha alike—has obtained whatever assistance he or she might need towards re-establishment.

During the year under review much attention has been devoted by my Ministers to the task of settling ex-servicemen on the land, and experience indicates that a total of eight thousand men, including two thousand already settled, will seek rehabilitation on farms of their own. Almost a quarter of a million acres of land are being developed for the settlement of servicemen, and my Government expects that land-settlement of ex-servicemen will result in an eventual investment of more than £50,000,000 of public moneys.

In other fields of rehabilitation there has been steady development, and particularly in that of trade and occupational training, for some form of which more than seven thousand ex-servicemen or ex-servicewomen have to date been approved.

During the year employment surveys have been made with the object of discovering possible openings for suitable ex-service personnel in all other industrial fields, and it is heartening to know that there is almost an entire absence of unemployment among ex-servicemen in this country.

The housing of ex-servicemen is also a matter of special concern to my Government, and considerable progress has been made, despite shortages of building materials and labour. Some sixteen thousand ex-servicemen have been housed already not only in State rental dwellings, but in houses built or purchased by the ex-servicemen with the assistance of rehabilitation loans.

The importance of farming industries in the Dominion's economy has always been fully appreciated by my Government, and great credit is due to the primary producers who, during the war, maintained output at the highest level. Food in the post-war period will undoubtedly occupy a place no less important than it did, and a new drive for production is now being organized by my Government, in collaboration with farmers' representatives, to assist in supplying the world's much needed food requirements. My Ministers are determined to assist the farmer in every way possible by giving incentives and encouragement to increase production still further, and it is anticipated that a resumption of supplies of phosphates from Nauru in the coming year will materially assist towards this end.

My Government consider the further development of the land resources of the Dominion to be of paramount importance, and they will pursue an active policy of land improvement and settlement while scope remains. They regard it as their first responsibility to provide for the settlement of ex-servicemen, and the whole of the land and material resources available to the Lands and Survey Department must meanwhile be concentrated towards that end. When the needs of rehabilitation have been met those same resources will be devoted to the development and improvement of the remaining suitable land for the settlement of those to whom the benefits of the Rehabilitation Act have not been available.

My Advisers propose to continue a vigorous policy of industrial development. Reconversion from war to peace-time production has proceeded smoothly, and, in spite of the demobilization of eighty thousand persons from the Armed Forces between VJ Day and May, 1946, full employment has been maintained with adequate choice of work over a wide range of occupations for rehabilitated servicemen.

The question of immigration has been under consideration by my Ministers for some time, and it is anticipated that the report of the Parliamentary Committee on Population appointed last year will be available early in the session. Meanwhile my Government have initiated arrangements in the United Kingdom for the selection of two hundred nurses for mental hospitals, and inquiries are being made as to the possibility of obtaining a thousand young single men and women for work in New Zealand.

One of the chief difficulties at present being encountered is that of shipping. There are, in addition to the prospective immigrants, over eight thousand people with claims to passage to New Zealand registered with the High Commissioner's Office in London, and this factor, together with that of housing in New Zealand, must be taken into consideration in any plans made for the reception of immigrants.

My Government regarded it as of prime importance to remove as quickly as possible the controls over man-power under which labour was mobilized for the Dominion's industrial war effort. It was a source of considerable satisfaction, therefore, when it was possible to remove the last of these controls during the year.

My Ministry of Supply and the various Supply Controllers have been progressively relaxing the control measures which were necessary during the war to maximize the Dominion's production and ensure equitable distribution of available essential supplies. Thirty-four wartime controls over industrial materials were revoked within a few weeks of the end of the war, and only six now remain. My Advisers will revoke remaining wartime controls affecting trade and industry as soon as the supply position will permit.

After a comprehensive investigation of the whole resources of the Dominion, my Ministers have prepared both immediate and long-range programmes of national development. These detailed and comprehensive plans, co-ordinated by the Ministry of Works, are now being pushed ahead by the various Departments of State.

These schemes, including as they do projects for the supply of increased electric energy, irrigation and land development, improved communications by road, rail, and air have been well advanced in order that public works generally can be executed according to national, regional, and industrial priorities, and with due regard to the economic employment of available resources in labour and materials.

During the past year my Ministers have prosecuted their house-building programme, which remains the first priority, to the utmost extent permitted by supply of man-power and materials, and it is pleasing to record that twenty-one thousand State rental houses have now been completed and tenanted. With increasing supply of labour and building materials, my Ministers propose to use every endeavour to meet the urgent needs of the private housing situation.

My Government intend, in the post-war period, to devote the utmost attention to the fulfilment of the aims of their education policy by further provision of the best possible facilities. Many circumstances, including an increased birth-rate, have increased the rolls of students in the schools and contributed to the need for more teachers and buildings. The selection and training of a sufficient number of teachers is recognized as the prime essential of education, and steps are being taken to ensure that requirements are fully met. A vigorous building programme is to be instituted to overtake wartime arrears and thus provide much improved accommodation for primary, intermediate, secondary, and University education.

Pursuant to the recommendations of the Ministerial Conference on Education held in Christchurch in October, 1944, Consultative Committees were set up to report upon the education of the pre-school child and adult education. Their reports should be received shortly, and it is expected that substantial developments will follow in both these important fields.

In the field of social security, negotiations will be carried out to extend the reciprocity of pensions and benefits to other members of the British Commonwealth. Validating legislation will be introduced in the course of the session to give effect to certain increases now being paid to widows with dependent children and to wives of disabled soldiers.

The affairs of my Maori people have again received special care and attention. I am happy to record the final settlement of the long-standing claim of the Waikato tribes for the redress of their grievances regarding the confiscation of their lands following upon the Maori wars of the "sixties." Steps are being taken to bring about the settlement of other outstanding Maori claims.

The improvement of health among the Maori people and provision of adequate housing will continue to occupy a prominent place in the administration of Maori affairs.

The development and settlement of Native lands is also receiving close attention, and active steps will be taken to maintain the highest level of production from farming and horticultural activities.

The welfare of New Zealand's island dependencies and the mandated territory of Western Samoa receives the constant attention of my Ministers. The visit to New Zealand in October last of three High Chiefs of Samoa, with their wives, gave warm evidence of the good will of the people of New Zealand, whose guests they were.

It is the hope of my Ministers to introduce during this session measures to enable the people of the Cook Islands to be more closely associated in the government of those Islands through the formation of a Council representative of both the Northern and the Lower groups.

Scholarships provided by my Government are now enabling thirty-four young people—twenty-seven from Samoa, five from the Cook Islands, and two from Niue—to attend secondary schools in New Zealand.

With a view to implementing one of the main recommendations of the Parliamentary Committee which investigated the Local Government system, legislation will be brought before you during the present session for the purpose of setting up a permanent Commission to review certain phases of local government.

It is also proposed to lay before you legislation to consolidate the Factories Act, 1921-22, and its amendments. Other legislative measures relate to Workers' Compensation, Apprentices, Nassella Tussock, Trustee Law, Land Laws, Soil Conservation, Stock Foods, Stock-remedies, Veterinary Services, and the establishment of a New Zealand Geographic Board.

All these matters I commend to your careful consideration, and I pray for Divine guidance in your deliberations.