



NEW ZEALAND

THE
NEW ZEALAND GAZETTE
 EXTRAORDINARY

Published by Authority

WELLINGTON, WEDNESDAY, JUNE 28, 1950

THE First Session of the Twenty-ninth Parliament of New Zealand was on the 27th day of June 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 MEMBERS OF THE LEGISLATIVE COUNCIL AND MEMBERS OF THE HOUSE OF REPRESENTATIVES,—

I am sure that I voice the loyal sentiments of Parliament and of the people, both Maori and European, in expressing, at the opening of this first session of the twenty-ninth Parliament, heartfelt relief and thankfulness at the continued improvement in the health of His Majesty King George VI. We have learned with especial pleasure that this improvement justifies the confident hope that Their Majesties will visit our shores in 1952. It will be the fervent wish and prayer of all sections of the community that they may have this long-desired opportunity to demonstrate their traditional attachment and loyal affection towards His Majesty's Throne and person.

In June of next year I shall have completed the normal period of five years in office as Governor-General, and I recently intimated to my Ministers that, subject to the King's approval, I should relinquish the appointment in May next. The Prime Minister has advised me that it is his wish and that of his colleagues that Lady Freyberg and I should remain in New Zealand for a further term, during the course of which it is earnestly hoped the Royal visit will take place. At their invitation I submitted the proposal to His Majesty, who has been graciously pleased to approve of my holding the office for a further year—that is, until June, 1952. This is a matter of the greatest pleasure to my wife and me.

My Advisers regard with grave disquiet the deterioration in the international situation, and the continued failure to overcome the state of deadlock which affects so many of the problems dividing the nations to-day. While giving firm support to the programmes and principles of the United Nations, my Government are bound to admit their sense of discouragement over the meagre results so far achieved,

and to express their profound regret that the United Nations should continue to suffer from the disturbing attitude of some of the members. Nevertheless, despite the disappointment of the high hopes of the founders of the United Nations, my Ministers retain the belief that there may yet emerge, in the fullness of time, an effective international organization based on collective security, and firmly founded on confidence and mutual trust, which will secure that state of universal peace for which we all most earnestly yearn.

In the widespread uncertainty characterizing the international scene my Ministers are glad to recognize by contrast in that smaller group of the British Commonwealth a firm nucleus of strength and integrity of purpose. It is their determination to do whatever lies in their power to strengthen the British Commonwealth and Empire as a bulwark of peace, stability, and progress in the world.

My Minister of External Affairs took part in the meetings of Commonwealth Ministers held at Colombo in January and at Sydney in May. These meetings seem to my Advisers to have been of special importance, both in respect of their discussions and as affording proof that the springs of Commonwealth action are not confined to any one geographical centre or to any one racial group.

The far-reaching changes which have taken place in the Pacific region are matters of deep concern to my Government, who remain in constant touch with the other Governments of the British Commonwealth and the United States of America in regard to the situation in China and its implications for the United Nations.

It is recognized by my Ministers that the existence of extreme poverty in large areas of the world creates special problems for the more favoured, and provides the fuel which so readily spreads the consuming flames of social upheaval and political revolution. They feel that New Zealand can contribute best towards the solution of some of these problems by the provision of technical assistance, and they have accordingly taken an active part in the relevant Commonwealth and United Nations discussions in this field.

My Minister of Island Territories has recently visited, and was most warmly received in, the Trusteeship territory of Western Samoa, where he was able to observe the steady development being made by the Samoan people in their social, economic, and political affairs. It is most satisfactory to record that the Trusteeship Council have, in their examination of New Zealand's annual report, signified their approbation of this steady progress.

It is the firm conviction of my Government, reinforced by bitter memories of past experience, that the people of New Zealand, while continuing to hope and strive and make sacrifices for peace, cannot at the same time afford to risk the dangers of military unpreparedness.

Already, in accordance with the wishes of the people, as so clearly expressed in the referendum last year, my Government have put into operation the scheme of compulsory military training and are proceeding with other measures for the expansion and strengthening of the armed services.

In this period of international tension every effort must be made to ensure the speedy execution of those defence plans which have been adopted in accordance with the best available advice and are within the resources of the Dominion. My Ministers have lately had most valuable discussions with the Chief of the Imperial General Staff, Field-Marshal Sir William Slim, and with the Inspector-General of the Royal Air Force, Air Chief Marshal Sir Hugh Saunders.

It is the inevitable aftermath of the titanic struggle out of which we have only recently emerged that there should be a host of difficulties and complexities, the solution of which requires both time and wisdom.

My Advisers consider that the greatest economic evil confronting New Zealand to-day is that of inflation, and they are evermindful of the obligation which their election to office has laid upon them to curb and to eliminate this insidious danger to the well-being of the wage-earner and other people in the lower-income groups.

One of the first duties of my Government on assuming office was to examine the country's finances, the soundness of which they firmly believe must always be the very foundation of the living standards of the people and the best safeguard of their earnings and savings.

After this examination, my Advisers found that in order to keep the Budget within manageable proportions and restore reality to the structure of prices it was desirable to abolish certain subsidies and reduce others.

My Ministers consider, however, that, without some compensating adjustment, in wages and other forms of fixed income, the corrective measures they have initiated would fall too heavily upon those least able to bear the strain. Steps were therefore taken to enable the Court of Arbitration to make an interim wage order, without prejudice to the making of a final award later on, when the full effect of the removal or reduction of subsidies upon costs and prices can be gauged with more reliability. Furthermore, various benefits under the Social Security Act are being increased by cost-of-living bonuses in consonance with the anticipated increase in prices of items in the basic food and other groups.

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

As has already been announced, the new Administration found that, in order to provide for that part of the capital programme which could not be financed from other sources such as National Savings, a loan of £20,000,000 was needed. The use of Reserve Bank credit at a time when the volume of money in circulation was already expanded, when both production and prices were at record levels and when there was full employment, would, in the opinion of my Advisers, merely have served to aggravate inflation. They therefore deemed it wise that the moneys required should be borrowed within the country. The generous response which the people have made in over-subscribing the recent loan affords unmistakable evidence of public confidence in the measures which my Government are taking to promote economic stability and social well-being. The funds so provided will enable the Government to meet essential capital requirements without the creation of new money.

Although the state of the country's finances holds out little prospect of major tax reductions this year, it is, nevertheless, proposed to make some adjustments. My Prime Minister has already announced the abolition of the 33½ per cent. penal tax on certain classes of income. It is considered by my Advisers that this measure of relief to a considerable section of the community will remove a long-standing injustice. Another matter for which legislation will be introduced will be a change in the basis of assessment of land-tax.

Legislative provision will be made at an early date to remove the Reserve Bank from direct Ministerial control, and vest in the Bank the responsibility for action in the monetary field consistent with the policy of economic stability for which the Government holds a mandate from the people. This proposed legislation will, however, ensure that the Reserve Bank shall be obliged to heed the wishes of the people as expressed from time to time by resolution of Parliament.

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

It is the intention of my Ministers to place before you legislative provisions designed to apply as soon as possible the principles upon which they have been elected to office.

In order to avoid an accumulation of legislation at the end of the session, my Ministers have given considerable attention to the preparation of Bills and some forty are either ready or almost ready to be introduced. This practice will, it is hoped, give Members and the public ample time to consider the measures laid before Parliament.

In addition to those important measures to which reference is made elsewhere, legislation will be introduced dealing with social security, land sales, tenancy, transport, marketing, the rating of vacant land in counties, shipping and seamen, Harbour Boards, a Medical Research Council, national parks, hospitals, and the codification of the Acts governing the Army and Air Force.

In accordance with the terms of their election policy, my Government will also introduce a Bill for the abolition of the Legislative Council, the continued existence of which as now constituted they consider unjustified. It is the further intention of my Advisers to explore means of guarding against the possibility of undue haste and insufficient deliberation in the enactment of legislation.

There will be placed before you at an early stage a Bill to restore capital punishment and a further Bill to restore corporal punishment in serious cases. In accordance with the pledge made before the election, however, my Ministers will submit these two measures to a free vote of the House.

It is a matter of much satisfaction to my Ministers that the long-sustained and strenuous efforts of the farming community continue to be rewarded with a high degree of prosperity, which is reflected throughout all sections of the community. Butter and cheese exports last season reached the highest totals yet recorded. Though June figures for meat exports are not yet available, their total will show a substantial increase over 1948-49. Last season's wool production was the second highest on record, and prices continue at high levels. Negotiations are being conducted at the present time with the United Kingdom Government concerning the prices to be paid for the coming season's exports of meat and dairy produce. It will be the constant endeavour of my Government to do everything possible to promote and secure favourable prices for exports and to ensure thereby that the national income as a whole will remain at buoyant levels in the foreseeable future.

The close co-operation between primary producers and my Government has been strengthened by the formation of a Primary Production Advisory Committee, under the chairmanship of my Minister of Agriculture, and it is confidently expected that this body will play an important role in the furtherance of my Government's policy of increased primary production. Legislative provision will also be made for placing on a permanent basis a new marketing advisory body.

One of the major administrative changes foreshadowed by my Advisers before their election to office was the setting up of a Board of Trade to advise on matters connected with import control, trade, and tariffs. These are matters of the greatest importance to our trading community, primary producers, and especially, the consumer. As a preliminary step an Advisory Committee, under the chairmanship of the Honourable Sir David Smith, has now been appointed, to advise on ways and means of putting the Government's policy into operation. My Ministers are confident that the Committee, and the Board, when it is established, will be able to recommend measures which, while providing reasonable protection for efficient local industries, will ensure that our overseas funds are used to the best advantage in purchasing the goods we need, and that traders are enabled to develop their businesses with the maximum amount of freedom. As a first step it is the intention to remove import restrictions entirely from a wide range of goods.

Parallel action has been taken internally to remove those restrictions which no longer appear justified, such as rationing, price controls on goods in adequate supply, and controls on urban land sales. These steps are designed to restore to the people the advantages of healthy competitive forces in the national economy. They are an essential counterpart of the action now being taken to restore economic and financial stability, and together they will serve to remove some of the basic causes of increased living costs in recent years.

In the fields of health, education, and social security my Government will ensure that the moneys allocated for these services are efficiently spent so as to return the greatest value in terms of the welfare of the people as a whole.

My Government have examined closely the programmes of national development which are needed to increase New Zealand's productivity in the years ahead. Essential public works will be proceeded with and will be related to the co-ordination of transport services. So long as development works are financed on a sound basis, the cost of the agreed programme will be well within the capacity of the country.

In promoting the effective rehabilitation of all those who served in the recent war, my Ministers will direct particular attention to housing and land settlement. In the furtherance of my Government's housing policy generally, the aim will be to encourage the fullest degree of occupation of homes by families on an ownership basis. With this end in view provision is being made for more generous loan facilities designed to encourage private house-building, to meet the housing requirements of the rural community, and to assist tenants of State rental houses to purchase their homes.

The Land Sales Act will be abolished in progressive stages, but so long as it is necessary to ensure preference for eligible ex-service-men in obtaining farm properties some measure of control must be retained. Legislation will, however, be brought down to ratify the action already taken by my Government to vary the basis of valuation of farm properties and to exempt sales of urban land.

In the important field of Maori affairs, land development will be carried forward as expeditiously as possible. Generous loan provisions for individual Maori home-builders will enable a substantial increase in the number of houses built, while in the cities and towns provision is being made for Government hostels, so urgently needed for Maori youths.

Although the labour force continues to expand, there still exist acute labour shortages in essential industries and services. In seeking remedies, the Government are extending the immigration scheme, with the object of bringing to New Zealand an average of ten thousand assisted immigrants annually over the next ten years. This total cannot, however, be realized immediately, as it will first be necessary to expand the accommodation facilities here, a task to which my Ministers are giving high priority.

Recognizing that the maintenance of industrial peace is essential to national well-being, my Ministers will strive to encourage the utmost co-operation between the workers' and the employers' organizations. In the view of my Advisers the maintenance of harmonious industrial relationships necessitates the provision of special and adequate machinery for investigation, for speedy interpretation, and for adjudication upon matters in dispute. It is proposed to amend certain sections of the Industrial Conciliation and Arbitration Act with the object of enabling industrial unionists, where they so desire, to express their views by democratic methods, such as the secret ballot, on compulsory unionism, and other issues.

The staffs of the public services can be assured of favourable terms of employment in recognition of the value of their work in administering Government policy, and every effort will be made to ensure the maintenance of their high standards of efficiency and loyalty.

In the light of this review of the country's prospects in various fields there is good reason to be optimistic about the future. Conditions in the farming industries are favourable to an expansion of production. Increased exports will provide the means of exchange so necessary to enable the purchase of more imports, both of consumer goods and of raw materials for the development of local manufacturing production. Flourishing conditions in the business world will thus

be maintained, and the benefit will not merely be shared by a few, but will be spread throughout the community in the form of full employment at good wages. At the same time, social services will ensure that conditions of security are available to all.

Practical measures are being taken in all fields suitable for Government action. Apart from these measures, however, it is the conviction of my Advisers that the maintenance of prosperity depends ultimately on continued individual effort throughout every section of the community. By working together all can achieve still higher levels of real income and thereby ensure that this small and comparatively young country may look forward with confidence to a period of steady progress in the years that lie ahead.

My Government are deeply conscious of their responsibilities in all these matters, and I earnestly pray that, with God's blessing, your deliberations thereon may prove to the lasting benefit of the people of New Zealand.