



NEW ZEALAND

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THE Second Session of the Thirtieth 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 HOUSE OF REPRESENTATIVES,—

The people of New Zealand, in common with their fellow-citizens of the British Commonwealth, profoundly mourn the loss of their late beloved Sovereign, King George VI. His late Majesty earned the undying gratitude and whole-hearted affection of all his subjects by sharing with his people their dangers and their hardships; by his fortitude throughout times of adversity; and by his inspiring example of leadership and his selfless public service at all times. His name and reign will ever be held in lasting and grateful remembrance and nowhere more so than here in New Zealand.

Queen Elizabeth II, who has assumed the high and responsible office as our Sovereign, commands the deep and loyal devotion of her peoples in New Zealand and the Island Territories. It is our earnest hope that, after Her Majesty's Coronation, the Queen and His Royal Highness the Duke of Edinburgh will be able to pay their long-desired visit to these shores.

The approach of Her Majesty's Coronation necessitates alterations in the Royal Style and Title to meet constitutional developments in the Commonwealth. Discussions are now taking place between the Governments of the various countries of the Commonwealth, and my Ministers anticipate that they will be in a position to submit for parliamentary approval this session any agreed amendments to the present Royal Style and Title.

As this will be the last occasion upon which I shall have the privilege of addressing you in Parliament assembled, I wish to express to you, and, through you, to the people of both races in New Zealand and in the Island Territories, my deep appreciation of the great kindness which has always been extended to me, as Her Majesty's Representative, and also to my wife. Throughout the country we have always received every kindness and consideration. We have been welcomed everywhere with sincere friendliness, and our journeys and our meetings with the people will always remain a most happy memory. My wife and I leave New Zealand with feelings of deep affection, and we extend our heartfelt wishes for the future well-being of this fortunate and lovely country.

Monday next, 30 June, will mark the Centennial of the New Zealand Constitution Act. Our people can reflect with pride and satisfaction on the remarkable progress that has been achieved in the hundred years of constitutional government. If they can but recapture the spirit of independence, selflessness, industry, enterprise, and adventure of those sturdy pioneers who laid the foundations of this country so faithfully and so well, then the future of New Zealand is fully assured. As respect is paid to the memory of those pioneers, it should be remembered with gratitude that the people of the United Kingdom last year marked this historic occasion by presenting the chair that is occupied in the House of Representatives by Mr. Speaker.

The Government of New Zealand remains determined to promote in every possible way the prosperity, unity, and influence of the British Empire and Commonwealth of Nations. The intimate consultation between Commonwealth members on matters of importance continues to grow. Of particular significance in this regard was the meeting of Finance Ministers held in London last January, at which my Prime Minister represented New Zealand.

Gratifying progress is being made in giving effect to the Colombo Plan. My Minister of Industries and Commerce attended the recent meeting in Karachi of the Consultative Committee, and came back well satisfied that New Zealand's contributions, through training men and women from Commonwealth countries in Asia, and through economic development projects in India, Pakistan, and Ceylon, are affording welcome and valuable assistance to those countries.

The close co-operation between Australia and New Zealand in matters of defence is demonstrated in the gift by the Australian Government of four Bathurst class minesweepers to New Zealand. These ships will be modernized and will form a valuable addition to the New Zealand Navy. The generosity of the Australian Government is greatly appreciated.

While deeply regretting that rifts in the United Nations rob it of its full effectiveness, my Ministers continue to attach primary importance to the realization of its purposes and principles. This calls for active co-operation by New Zealand as well as all the other members of the United Nations.

My Ministers acknowledge with gratitude the services of the New Zealand Navy and Army forces in Korea, where, under the United Nations flag, they are sharing in the common effort to resist aggression. Two frigates are serving continuously in the Korean theatre, where they have played an effective part in operations, and gained the highest praise from the United Nations Naval authorities. The scheme for the replacement of troops in Korea after eighteen to twenty-one months' service in the theatre has worked smoothly and has been so arranged that the efficiency of units in the field is not affected.

My Ministers regret that the fair and reasonable conditions for an armistice put forward by the United Nations have been rejected by the Chinese and North Korean authorities. They nevertheless still continue to hope for the early conclusion of an armistice, and the settlement of the Korean problem in accordance with the principles of the United Nations Charter.

The Security Treaty between Australia, New Zealand, and the United States of America came into force on 29 April. My Government regards this Treaty as an essential complement to the Treaty of Peace with Japan, which imposes no precise controls upon Japan's right to rearm. The Security Treaty assures New Zealand, on a reciprocal basis, of the active support both of Australia and of the United States of America in the event of a threat to New Zealand from any quarter in the Pacific.

The conclusion for the first time of a direct mutual defence agreement between New Zealand and the world's most powerful democracy seems to my Government an event of historic significance, calculated greatly to increase the security, though it adds to the liabilities, of New Zealand. Moreover, in the view of my Advisers, this Treaty, far from hindering, will reinforce New Zealand's capacity to pursue the other main objects of her external policy—namely, the well-being of the British Commonwealth and the effectiveness of the United Nations as the world's greatest hope for peace.

My Government has decided to send a fighter squadron of the R.N.Z.A.F. to assist in peacetime garrison duties in the Middle East. It supports the United Kingdom Government in their endeavours to place the defence of the Middle Eastern area on a sound foundation, through agreement between the countries situated in the area and those other countries which, like New Zealand, are prepared to contribute to its defence. If these efforts lead to the establishment of a Middle Eastern Command, New Zealand is prepared to participate therein.

The scheme of compulsory military training is now well launched and highly successful. As a result of amending legislation introduced last year to the Military Training Act, an additional age group of men is now being trained. Should the need arise, these men will be available and of a suitable age for overseas service.

The discussions of Commonwealth Finance Ministers in London, which my Prime Minister attended, disclosed that prompt and drastic action was required to bring the sterling area as a whole into balance with the rest of the world. Suitable measures have already been taken by my Government in accordance with the decisions reached at this meeting as New Zealand's contribution to the sterling area's grave problems. Already, some improvement is evident. It is too early yet, however, for the action taken to show its full effect. In the meantime, continuous efforts must be made to protect the gold and dollar reserves of the sterling area and to strengthen the economic position generally.

New Zealand's obligations to the sterling area to live within its overseas income, and to conserve its accumulated reserves in the meantime, have necessitated, in the public interest, a measure of control to regulate the expenditure of the funds available for both Government and private expenditure.

Under the obligations imposed by law the Reserve Bank, with the co-operation of the trading banks, is maintaining control over the volume of expenditure on the importation of goods into New Zealand. These controls will be relaxed as fully and as soon as future circumstances permit.

There has been a large increase in the importation of commodities into New Zealand. This resulted from the temporary but substantial increase in wool prices and other export incomes, and from the heavy demand for imports following years of shortages, together with the greater availability of goods from overseas. Our overseas resources have thus been severely taxed. Furthermore, an additional strain was placed on the banking system, which, in addition to financing this extraordinary flow of goods, had also to meet unexpected demands due to the delays to trade caused by the waterfront strike last year. In these circumstances it is essential that expenditure on imports, whether on Government or private account, must be very carefully controlled by the banking system.

The steep rise, and the equally steep fall, in the world prices for wool, together with higher prices for meat and dairy products, have had substantial effects on the Government's revenue. The programme of Government works and social service and administrative expenditure, and the level of taxation to be maintained for the current financial year, will necessarily require to be carefully related to anticipated fluctuations in revenue.

The rapid fluctuations in certain export prices, and notably wool, have created some taxation injustices in connection with duties payable in the cases of deceased estates. Unless rectified, these serious anomalies would have far-reaching and detrimental effects on our foundation industry of farming. The Taxation Committee, in its report late last year, referred to the serious nature of this problem, to which my Ministers have been giving close consideration. Legislation will be placed before you designed to remove these injustices and to afford relief in those cases where the present law has operated inequitably and in a manner never contemplated when the existing legislation was enacted.

The operation of the Wool Proceeds Retention, or "Wool freeze," scheme has proved a most significant factor in combating inflation, and the retention in the private trading banks of some £33,000,000 in twenty thousand individual accounts has created a reserve which should prove to be of considerable value to the farmers concerned. With the fall in wool prices to less than half their peak levels, the Government, in collaboration with the representatives of the wool-growers, has decided to release to those farmers who desire it, up to 20 per cent of that money during the present year and each of the following four years.

After meeting all expenses, including heavy defence costs, and making taxation concessions, a surplus of £12,600,000 remained in the Consolidated Fund last year. As a first step towards removing the means test for age benefits, my Government increased the universal superannuation benefit from £37 10s. to £75 per annum. After providing for these and other increased costs, a surplus of £3,600,000 remained in the Social Security Fund. With such satisfactory surpluses of revenue over expenditure, the past year can be reviewed as one of continued national and social development and sound finance.

The year has been generally favourable for primary production. Dairy-produce and wool have increased in output. In a country such as New Zealand, where expansion is still possible, there is an urgent need for greater production. There is growing demand throughout the world for food, particularly live-stock products. The legislation passed last year has encouraged further investment in farm improvement, through development of pastures, purchase of machinery, and construction of farm buildings and workers' houses. The capacity and hard work of the average New Zealand farmer and farm worker in the management of grassland pastures and live-stock continue to add to this country's growing prosperity. Science is playing its essential part in increasing production and in maintaining the health of our large live-stock population.

During the year, as a further step in the utilization of New Zealand's softwood resources, my Ministers issued a general invitation for proposals for the establishment of a newsprint industry. Arising out of one proposal submitted, authority for the registration of an operating company has already been given, and consultations are at present proceeding with financial and technical authorities in various parts of the world to ensure that the foundations of this great and promising new enterprise are firmly laid.

The Board of Trade is proceeding with its examination of questions affecting the importation of goods into New Zealand and allied trade problems. As a result of its inquiries and hearings from manufacturers, importers, and other interested groups, many items have been retained under import licensing until the tariff duties have been reviewed at public inquiries. The first tariff inquiry for eighteen years has already commenced, and these inquiries will be continued.

New Zealand's manufacturing industries are making a substantial contribution towards our over-all economy. The quality of their products remains at a high level while their standard of design and workmanship compares favourably with that of other countries and reflects much credit on all concerned. Thanks largely to the steady demand for the products of our manufacturing and processing enterprises, the employment outlook remains favourable.

Increased demands for electric power have thrown such additional strains upon the country's power production resources, that supply has not been able to keep pace with demand. My Government has pressed ahead, with all possible expedition, with the construction of the Maraetai scheme on the Waikato River, and the plant is rapidly approaching completion. The full capacity of Maraetai will be 180,000 kW., and this addition to the supply of power will be a substantial one. In addition, special priority has been given to borings, which have been proceeding since 1950, in search for coalfields that will justify the establishment of a coal-burning power-station. In the expectation that a suitable coalfield might be found, and in order to save time in the development of a steam-station, the Government has decided, with the full agreement of the supply authorities, to bring an expert from overseas to report on the position. At Wairakei the borings give continued promise of geothermal steam as a source of electric-power generation. New deep-drilling equipment, to speed up testing, will shortly be installed.

Following the industrial upheaval of last year, a much better condition of industrial harmony obtains throughout the country. There have been many instances of increased production rates, and irritating stoppages have been conspicuous by their absence. My Minister of Labour has been in constant touch with representatives of the workers in efforts to remove causes of discontent, and to promote understanding.

Coal production has been built up to the point where importations are at present no longer necessary.

A high level of demand for labour continues. Indeed the acute shortage of labour is still causing delays in the building of houses and in many other essential activities. Because of this situation, my Government has further expanded the immigration scheme. Two ships have been chartered to replace the "Atlantis," and the possibility of securing further shipping is being explored. The inflow of Dutch immigrants has been increased and some 6,000 are expected in the current twelve months. The net gain to population from immigration for this calendar year is expected to exceed 20,000.

The provision of housing for families occupies an important place in the attention of my Ministers. The increasing number of loans and suspensory loans granted for building, and for the purchase of homes, shows that the people are conscious of the benefits attaching to home ownership. My Government has continued, and will continue, the building of State rental houses for those families which for various reasons are not able to enjoy the benefits of home ownership. Tenants of State rental houses have responded to the opportunity afforded them to purchase their homes. Nearly 4,900 houses have been sold for the sum of £9,900,000. The grant of a subsidy towards the cost of building dwellings for aged persons has encouraged local bodies, and charitable and religious organizations to undertake the provision of this type of accommodation.

Most encouraging progress has been made in the rehabilitation of ex-servicemen, upon which £141 million have been expended since the inception of the scheme. The bulk of this has been by way of loans to ex-servicemen. These rehabilitation facilities will be available to the men who served with the United Nations forces in Korea. Last year, 3,956 ex-servicemen were assisted to build or purchase their own homes. A further 1,117 ex-servicemen were allocated State rental houses and flats. Up to the end of the last financial year, some 9,400 ex-servicemen had been settled on the land with rehabilitation aid, while trade-training facilities had assisted nearly 15,000 ex-servicemen into worth-while occupations. The grant of assistance, in the matter of education and loans for business, has also formed a substantial part of the rehabilitation programme.

The activities of my Government in connection with the particular interests of women were given international recognition by the election of New Zealand to the United Nations Commission on the Status of Women. At the recent meeting of this Commission in Geneva this country was represented by the Hon. Mrs. Ross, Minister for the Welfare of Women and Children.

My Ministers feel that the advancement of the social and economic welfare of the Maori people are matters of the utmost consequence. Education, employment, and housing have all received special attention. Satisfactory progress has been maintained in the development and settlement of the Maori-owned lands. The establishment of special hostels by my Government and by Church and social organizations with assistance from the Government has proved of great value in providing suitable accommodation for young Maori men and women working and training in the cities.

The welfare of the Island Territories has continued to receive the attention of my Government. Early this year my Minister of Island Territories visited Western Samoa, where he had discussions with the High Commissioner and with Samoan leaders on the future of this Trust Territory.

As a result of my Minister's visit, a Bill to establish an Executive Council in the Territory, and give the Samoan people themselves an increasing share in the government of the Territory, will be submitted for your consideration.

Under the legislative programme which will be submitted for your consideration, you will be asked to consider Bills dealing with the Armed Forces, education, town-planning, and soil conservation. There will be laid before you Bills to amend the Divorce and Matrimonial Causes Act, the Licensing Act, the Justices of the Peace Act, the Infants Act, the Fencing Act, and the Evidence Act.

My Ministers will submit to you amendments of a machinery nature to the Agricultural Workers Act 1936, the Military Training Act 1949, the Workers' Compensation Act 1922, and an amendment to the Gaming Act giving more adequate powers to deal with bookmakers.

A Bill will be introduced dealing with the vexed and important problem of local government reform and also a measure to consolidate and revise the law relating to local-body elections.

Consolidating legislation will include the Shipping and Seamen Act, the Deaths by Accidents Compensation Act, the Industrial Conciliation and Arbitration Act, the Hospitals Act, the Marriage Act, and the War Pensions Act.

In accordance with the recommendation of the Patents Commission which sat in 1950, separate consolidations of the patents, designs, and trademarks legislation are in course of preparation. A separate Merchandise Marks Bill will, as recommended by the Commission, be submitted to you.

Another measure to be submitted for your consideration is a new Companies Bill, adapted from the United Kingdom Act.

Following the recent enactment in the United Kingdom of the Courts Martial Appeals Act, legislation will be promoted providing for a special Court of Appeal to hear and determine appeals by servicemen from the decisions of Courts Martial.

A Criminal Justice Bill, designed to protect society against hardened criminals and to further the work of reformation of younger offenders, will be presented to you. It is also proposed to introduce a Summary Jurisdiction Bill, to provide a substantial increase in the criminal jurisdiction of Magistrates.

I commend all these matters to your earnest consideration, and I pray Divine guidance in your deliberations.