



# THE NEW ZEALAND GAZETTE EXTRAORDINARY

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THE Second Session of the Thirty-first 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,

Our thoughts continue to be dominated by the great and complex problems besetting the nations of the world who, notwithstanding their competing and conflicting interests, must still strive to live peacefully together. Although the meeting last year of the leaders of the Four Great Powers gave us grounds for hope that a new spirit might prevail and that long outstanding issues between the democracies and the Communist nations might be resolved, these hopes have unhappily not yet been realised.

My Advisers view with deep concern the continued spectacle of violence and subversion in many parts of the world. In the face of this challenging and indeed menacing situation my Government remains convinced that the society of free nations, with which New Zealand is closely associated, must not relax its vigilance nor impair the strength it needs to deter aggression wherever and in whatever diverse form it may appear.

In discharging their responsibilities in the sphere of external affairs, my Ministers have endeavoured to promote the strengthening of the British Commonwealth and the maintenance of the ties that happily bind together so closely the Commonwealth and the United States of America. Active participation in the United Nations and friendly co-operation with the free countries in Asia have been especially vital elements in their policy.

The problems of world peace and security were among those recently discussed by my Prime Minister with the Prime Minister of Australia, and will figure prominently at the meeting of Commonwealth Prime Ministers later this year.

Because of my Government's increased concern with events in South-East Asia, there has been a consolidation and expansion of New Zealand's activities in that area. The appointment has been made of a New Zealand Commissioner in South-East Asia, with an office in Singapore, and a further post is shortly to be set up in Thailand. It is expected that a diplomatic mission will be established by Thailand in New Zealand. The Colombo Plan continues to command the full support of my Ministers, who are satisfied that the Plan has not only been a valuable supplement to the efforts being made by the Asian people themselves in raising living standards, but is also an outstanding example of co-operation between countries inside and outside Asia.

My Advisers believe, however, that the Colombo Plan and similar programmes for economic development can be carried out with full effectiveness only in conditions of peace and stability. New Zealand cannot remain indifferent to the aggressive challenge which faces the free nations of the area, and my Government has therefore taken an active part in the development of the South-East Asia Treaty Organisation.

As a further contribution to the effectiveness of the Treaty, and in accordance with its Commonwealth defence commitments, my Government has provided units of our naval, army, and air forces for service in the SEATO area.

Developments in Asia have not diminished my Ministers' interest in Europe and the Middle East nor their recognition of the importance these areas must continue to hold for New Zealand and the Commonwealth.

New Zealand's two-year term on the Security Council has now expired, but my Ministers retain their special interest in the United Nations, which, they believe, remains the best means of building up the understanding and common purpose so essential to an enduring peace.

New Zealand's economy continues to expand in all fields of activity. Primary production continues to rise, notwithstanding a prolonged spell of dry weather in the South Island, which has called for special measures. The numbers of livestock are increasing at a very satisfactory rate and our primary industry is soundly organised to meet the requirements of our growing population. The development of Crown land for farming purposes continues, and finance is available through the Marginal Lands Board to assist in the development of occupied farm properties which are not at present reasonably economic and where the normal avenues of rural financing are not suitable. Aerial topdressing of our farm lands continues to increase at a rapid rate and will reach almost 3 million acres this year compared with less than 50,000 acres six years ago. This great expansion will result in considerably increased production as the full effects of aerial topdressing are felt.

It was in keeping with New Zealand's position in the field of world agricultural production and trade that my Minister of Agriculture, the Right Honourable Mr Holyoake, was appointed Chairman of the recent conference in Rome of the United Nations Food and Agriculture Organisation. This conference gave special consideration to the difficult problem of agricultural surpluses, a matter which receives the continuing attention of my Government.

My Ministers are gratified at the successful culmination of the Tasman pulp and paper project at Kawerau. The pulp and newsprint mills have been operating for some months, and the sawmill recently came into partial operation. Before the end of 1955 many New Zealand newspapers published complete editions on Tasman newsprint. During the coming year, products from the mills will be

exported in increasing quantities, and together with the increasing output of industries already established in this field will make a valuable contribution to our export income as well as broadening the base of the national economy.

Encouraging results have already been obtained in my Government's search for new overseas markets, not only for our main lines of primary produce, but also for the products of our steadily expanding and highly efficient manufacturing industries. My Government is anxious to see an increase in New Zealand's trade with Australia and the arrangements recently negotiated by my Prime Minister should, in the coming year, result in a marked increase in trade between our two countries.

Although minor crises, which are the economic aftermath of the Second World War, develop from time to time and require a temporary resort to directly corrective measures, substantial progress has been made in moving from import licensing to import duties as a means of stabilising sound local industries.

The review of the Customs tariff, which is to be undertaken this year, should lead to the removal of anomalies where they exist and the formulation of an up-to-date tariff in keeping with modern conditions. A Bill will be placed before you which will provide for the consolidation of existing legislation affecting the Department of Industries and Commerce and for the redefinition of that Department's functions and objectives.

The problems associated with substantial over-employment and high levels of business activity to which I referred when I last addressed you are still with us. Notwithstanding a further rise in export income last year, a record level of expenditure on imports was responsible for a net reduction in our overseas reserves. It has been necessary to take further steps to meet the situation during the past year, and, in particular, the banking system has been placed under some pressure to reduce the level of bank credit. My Ministers believe it will be necessary to continue with the present policies, which are designed to strengthen the country's economic position externally while maintaining stability within New Zealand.

The Commission appointed under the chairmanship of the Honourable Mr Justice Tyndall to investigate the functioning of the nation's financial and banking system and to examine and report on proposals for changes in banking methods and financial policy has completed its report, which will shortly be placed before you for your consideration.

During the present financial year, securities issued by my Government and totalling in all £50 million in some four loans fall due for repayment. Since it is the aim of present policies to absorb the excess demand in the community and to lessen the pressure for imports, a successful conversion operation became a matter of major importance. My Ministers therefore decided to make to all the holders of the maturing loans one offer of conversion. The rate of interest was increased in line with current market rates and while the final figures are not yet available it appears that approximately forty million pounds, or eighty per cent, of the loans will be converted. In all the circumstances my Advisers regard this as a satisfactory outcome for what is the largest financial transaction of its kind in New Zealand. Suitable adjustments in the borrowing rate for local government authorities have been effected.

The impact of Government income and expenditure on the economy generally is a major factor and my Ministers will continue to subject Government expenditure particularly to the most careful scrutiny to ensure that Government plays its full part in the control of imports and of inflationary pressures.

Estimates of expenditure will be placed before you for your consideration in due course.

Works projects continue to be a major feature of my Government's development programme. With the commissioning of the Roxburgh Hydro-electric Power Station this year, power problems in the South Island will be resolved although there are shortages of electric power at the present time owing to drought conditions. In the North Island rapid progress is being maintained in the construction of power stations at Waipapa, Atiamuri, and Ohakuri, while the station at Whakamaru is expected to commence operations within the next few months. Preparations for the establishment of the coal-fired steam station near Mercer are also developing satisfactorily and plans for the use of geothermal steam for power generation are well advanced. Notwithstanding these developments and having regard to the long-term demand for electric power, my Ministers have deemed it prudent to investigate the possibility of transferring power across Cook Strait by submarine cable.

The Government agencies concerned are following closely the application of advances in nuclear science to research and power production in New Zealand. The recent discoveries of uranium and thorium-bearing ores in the South Island have focused attention on the Atomic Energy Act 1945, and you will be asked to consider a Bill designed to clarify the provisions of the Act and to bring the law on this subject up to date.

Action by my Government to foster the development of a healthy tourist industry in New Zealand includes the establishment of a Tourist Hotel Corporation to take over hotels at present operated by the Government, increase overseas publicity and measures to improve tourist facilities throughout the country.

The National Roads Board, which was established in 1953, has recently extended its policy of financial help in connection with major and urgent roading work in the larger municipal areas. My Government is deeply concerned at the tragic loss of life in road accidents and new measures are constantly under trial in the endeavour to reduce the hazards arising from the increasing volume of road traffic.

A high demand for labour remains a feature of the employment position in New Zealand. Unemployment is practically non-existent and it is pleasing to record another year of good industrial relations. Major industrial disturbances and dislocations have been conspicuous by their absence and industry has enjoyed notable progress and expansion. A Bill will be placed before you during the session to consolidate the Workers' Compensation Act 1922 and its amendments and also to provide some increased benefits under the Act.

My Government's concern for the welfare of the Maori people is reflected in a vigorous policy aimed at assisting them to develop fully their physical, mental, social, and economic resources. The Maori land development and settlement programme includes major projects in the Waikato, King Country, and North Auckland areas, and the number of new dwellings completed during last year through the financial and building facilities made available by my Government was well in excess of the previous year's total.

The welfare of the Island Territories continues to engage the close attention of my Ministers, and you will be asked to consider a Bill to give effect to proposals for further constitutional development in the trust territory of Western Samoa. As a result of a recent investigation, the lines along which the future economic progress of the Cook Islands should be directed have been more clearly defined.

Although in most fields the task of re-establishing our ex-servicemen is nearing completion, farm settlement continues to be a major responsibility. To meet this my Government will take steps to speed up the rate of settlement during the coming year.

Excellent progress is being made with the task of meeting the housing needs of our people. There are indications that the housing shortage has been overcome in some areas, but my Government is maintaining its efforts to meet the problem where it exists.

Our growing population carries with it an increasing number of pupils in all types of schools. Very great efforts continue to be made in the provision of adequate school accommodation and a sixth college has been established, at Palmerston North, for the training of primary teachers. A start has been made on the erection of additional permanent buildings to meet increased University rolls.

Certain aspects of our hospitals administration have been under review and proposals involving some changes in hospital administration following changes in the financing of hospital services will be placed before you for your consideration.

My Government has already given effect to several of the recommendations of last year's National Conference on the Care of the Aged. These have been of material assistance to many of our elderly people.

A Bill dealing with reciprocity in social security benefits between the United Kingdom and New Zealand will be placed before you during the session. My Government has introduced improved superannuation benefits for Government and local body employees, and you will be asked to consider a Bill consolidating the superannuation legislation.

One important measure which my Ministers propose to submit for your consideration during the session is a consolidation and revision of the electoral law. It is hoped that the new legislation will effect considerable simplification of procedure and detail. Other consolidating measures that you will be asked to consider will be an Evidence Bill and a Trustee Bill.

My Ministers are giving consideration to the proper procedure which should be followed by Ministers in the arrangement of their private interests on assuming office under the Crown. The views of my Ministers will be conveyed to you and you will be asked to give this question your careful consideration.

Legislation will be placed before you re-enacting the Indecent Publications Act along the lines recommended by the Parliamentary Committee on Delinquency. Amendments to the Shipping and Seamen Act 1952 and to the Harbours Act 1950 will also be introduced.

You will also be asked to consider Bills dealing with the control of our national archives, the control of destructive and noxious animals, and a revision of the law relating to explosives and dangerous goods.

In the early part of this session, a Counties Amendment Bill will be placed before you providing for differential rates in county towns. Subsequently, a Counties Consolidation Bill will be introduced as a further step in the general codification of the law relating to local authorities.

Excellent progress has been maintained during the last six years in work on the consolidation of our statutes and some eighty-four have already been completed. This work will be continued with a view to issuing a reprint of the statutes which cannot be long delayed.

However, following the large number of Bills passed in recent sessions, this session of Parliament is expected to have a comparatively light programme of legislation.

May the blessing of Almighty God rest upon your counsels.

