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The Second Session of the Thirty-second 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:

When in February last I addressed you in Parliament assembled, I intimated that the transaction of general business and the consideration of my Government's legislative proposals would be dealt with in a session to be convened later in the year. In the intervening period my Ministers have formulated their programme in the light of developments here at home and overseas.

In international affairs there has been much of significance demanding the closest attention of my Ministers. Of particular importance are the exchanges between the Western powers and the Soviet Union concerning the proposed "summit" conference. It has seemed to my advisers that, despite past disappointments, such a conference, adequately prepared in preliminary negotiations, might yield valuable results for world peace.

One of the most pressing problems is disarmament. It is also one of the most intractable. The possibility of surprise attack in this nuclear age creates an atmosphere of constant tension in which New Zealand's principal allies find it necessary to maintain retaliatory strength in instant readiness. My Government's objective is a comprehensive programme of disarmament, with effective inspection measures, which would relax this dangerous tension and permit a substantial increase in economic aid to the less-developed countries.

As a first step, my Ministers believe, an agreement for the cessation of nuclear weapon testing, with inspection, would have substantial advantages. Although it would not in itself bring about a reduction of armaments, it would help to ensure that the number of countries possessing nuclear weapons was not increased; it would halt radioactive fallout from nuclear explosions, a matter so disturbing to world opinion; and it would contribute, they consider, to a more favourable climate for negotiations on other international problems.

The preservation of peace and security in the countries of South and South-East Asia is clearly of considerable significance to New Zealand, and my Ministers continue to attach great importance to membership of SEATO, which has a valuable part to play in the defence of this part of the world against aggression and subversion.

In March last, my Prime Minister attended a meeting of the SEATO Council of Ministers in Manila and a session of the Economic Commission for Asia and the Far East at Kuala Lumpur. Subsequent visits to Delhi, Karachi, Colombo, Singapore, Hong Kong, and Bangkok enabled first-hand and valuable contact to be made with the political leaders of countries whose importance to New Zealand becomes daily more evident, and afforded an opportunity for discussion with these leaders on world problems.

My Government continues to give its fullest support to the Colombo Plan. While in present circumstances an increase in New Zealand's contribution is unlikely to be practicable, my Ministers hope to maintain New Zealand's participation at a useful and progressive level.

In collaboration with other members of the British Commonwealth, units of the New Zealand Forces make a realistic contribution to the peace and stability of the South-East Asian area. My Government will take an early opportunity of placing before you a White Paper setting out plans whereby our Armed Services will be able more effectively to meet New Zealand's obligations and commitments.

Our Naval and Air Forces, together with the New Zealand team under Sir Edmund Hillary, played a significant part in the operations that concluded with the epic crossing of the Antarctic continent by Sir Vivian Fuchs and his party. It must be the immediate concern of us all that this vast area, for a sector of which New Zealand is responsible, should not be the scene of unfortunate international rivalries or be used for other than peaceful purposes. My Ministers have therefore welcomed a recent United States proposal for the conclusion of a treaty among the interested powers which would safeguard this objective and have the full approval of the United Nations. My Ministers are arranging for the continued occupation of Scott Base and for a further programme of scientific investigation and survey in the Ross Dependency.

My Government has followed with close interest the negotiations leading to the establishment of a European Economic Community and the setting up of a European Free Trade Area. New Zealand is of course concerned that such institutions, especially those affecting agriculture, should have a liberal and outward-looking character and encourage the orderly expansion of international trade.

New Zealand's own external trading position is a source of the gravest concern to my Ministers. The critical factors which developed during the latter half of 1957 were the continued fall in the prices obtained from our exports, and increases, both in volume and cost, of imports. These divergent trends led to a situation where payments during the year for imports and for other services exceeded our earnings of overseas exchange by a considerable margin and a corresponding drop of about 40 per cent in our reserves. It was clear that the country could no longer afford such a high level of overseas purchases, and import and exchange control was introduced as from 1 January.

The immediate prospect for our exports continues to cause concern. The continued fall in the prices of our dairy produce, which has arisen in large part from the additional quantities sent to the United Kingdom by countries who have not been traditional suppliers to that market, was sufficiently serious to warrant discussions between my Minister of Agriculture and the United Kingdom authorities. A general examination of the 1932 Ottawa Agreement and of its effects on present-day trade between New Zealand and the United Kingdom is now taking place in London. It is as yet too early to assess the practical outcome of these exchanges and my Ministers are persisting in their efforts to seek a satisfactory resolution of the overall problem. However, it seems inevitable that, even with the current restrictions on imports, this year will again see a substantial deficit in our trading position.

My Ministers are convinced that in spite of the serious difficulties I have mentioned the economy of New Zealand remains basically strong. Production from both farms and factories continues at a

satisfactory rate, there is full employment, and consumer prices are reasonably stable. My advisers are confident that, although adjustments and a measure of increased effort will be necessary, the resources of the country and the skills of its people will ensure the steady growth of the economy.

My Government intends to proceed with the development of virgin Crown land suitable for farming in an endeavour, first, to complete the rehabilitation of our ex-servicemen as quickly as possible, and then to provide farms for young farmers and others seeking to be settled on the land. You will be asked to consider proposals to amend existing legislation affecting the promotion of land settlement.

During the past year the requirements of our steadily developing economy have fully taxed our building and construction industry. These demands have been intensified by the heavy flooding which so disastrously affected certain parts of the country. My Government acknowledges the invaluable effort contributed by organisations and individuals alike in meeting the urgent and serious problems that arose and will continue to give a high priority to the restoration, in association with local authorities, of public services and communications in the areas concerned.

Improved safety conditions in coal mines will be the subject of proposals to be placed before you following the inquiry into the disaster at the Renown Colliery in 1955.

The vital importance of adequate electric power resources to industry and to the general well-being is recognised by my Government's endeavours to accelerate the completion of all projects under construction and to promote the orderly development of a sound programme for the future.

In the field of commerce you will be asked to consider a Bill introducing certain measures relating to trade practices, and a Bill designed to improve certain aspects of the motor-spirits distribution industry.

A good record of industrial relations has been maintained and my Ministers are gratified with the growing awareness of a common interest in measures to increase production.

You will be asked to consider a Bill revising the requirements of the Scaffolding and Excavation Act 1922, in the light of the findings of the Royal Commission of Inquiry which submitted its report last year.

My Government's financial proposals and estimates of expenditure for the current year will in due course be placed before you. These will of course be designed to supplement measures already introduced to maintain stability and assist in the rebuilding of exchange reserves. My Ministers recognise the importance of encouraging saving by our people and are gratified at the present record level of small savings in Post Office accounts.

New Zealand is on the threshold of a new era in technical education. My Ministers hope to place before you during this session a Bill introducing improved measures for the examination and certification of technicians. My Gòvernment also intends to set up a Royal Commission to examine all phases of our education system.

Child welfare is a primary concern of my advisers and steps have been taken to increase the number of skilled staff available for work in this field. Changes in the social security scheme will be the subject of a Bill to be placed before you, including the removal of the means test on the earnings of blind beneficiaries, and provision for the payment of benefits generally on a four-weekly basis.

The well-being of the Maori people will be advanced by all practicable means available to my Government. In addition to the emphasis that will be placed on housing and land development, special encouragement and opportunity will be provided to Maori youths to train for skilled occupations. My Government gratefully acknowledges the continued help given by tribal committees and executives, and by the Maori Women's Welfare League, in social work among the Maori people.

My Minister of Island Territories recently visited Western Samoa and the Cook Islands in order to assess at first hand local conditions and problems in these territories. My Government is fully conscious of our obligations to the island peoples and will continue to facilitate the progress of Western Samoa towards self-government in accordance with undertakings given to the United Nations. The necessary steps will also be taken to implement constitutional changes approved by Parliament last year in respect of the Cook Islands and Niue.

You will be asked to consider proposals concerning the registration of homes for old people, and the distribution of property in the case of simultaneous deaths.

Other miscellaneous legislative proposals to be placed before you will deal with alternatives to the present requirement regarding the dipping of sheep, the registration of motor-vehicle dealers, the revision of the Second-Hand Dealers Act 1908, the right of domicile of married women, and the recovery of money paid under a mistake of law. My Ministers also hope to place certain consolidation measures before you and a Bill revising the criminal code.

I pray that Divine guidance may attend your deliberations.