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THE Third Session of the Twenty-third 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 GENTLEMEN OF THE LEGISLATIVE COUNCIL, AND GENTLEMEN OF THE HOUSE OF REPRESENTATIVES,—

The past year has been happily marked by the restoration to health of His Majesty the King, whose recovery from his serious illness has given his subjects throughout the Empire the deepest gratification.

I desire to express my pleasure in meeting you in Parliament assembled for the first time since my assumption of the office of Governor-General of New Zealand, and to assure you not only of the deep interest with which I shall follow your proceedings, but also of my earnest desire to co-operate with you in every way possible in your efforts to advance the prosperity of this Dominion and the welfare, contentment, and happiness of its people.

The spirit of loyalty, which I have found strikingly in evidence during my visits to several of the principal centres of population, has impressed me profoundly. By none has that spirit been more fervently demonstrated than by the Maori race, and I acknowledge with deep appreciation the loyal and cordial welcome which they have extended to me as the King's Representative. I am indeed much gratified and encouraged in the task which lies before me by the kindly reception which has been accorded to me by those of His Majesty's subjects, without distinction of class, occupation, or race, whom I have been privileged to meet since my arrival in New Zealand three months ago.

On the 22nd May last the Right Honourable Sir Joseph Ward, on account of ill health, tendered to me his resignation as Prime Minister and also the resignations of his Ministerial colleagues. On his advice I entrusted the Honourable George William Forbes with the formation of a Ministry. Mr. Forbes was appointed Prime Minister on the 28th May, and the Ministry was duly sworn in on that date. At the same time Sir Joseph Ward was confirmed in his membership of the Executive Council, and in this capacity his advice and counsel will still be available to the country.

It is fitting that I should take this opportunity to express a warm tribute to the distinguished services rendered to New Zealand and the Empire by Sir Joseph Ward. For over forty years he has devoted himself to the public life of the Dominion, serving as a member of the House of Representatives, as a Minister of the Crown, and for seven years as Prime Minister. I feel sure I am expressing your own sentiments as well as mine in the cordial hope that Sir Joseph Ward will be speedily restored to good health, and that he may be spared to enjoy many years of well-earned happiness.

At the recent Naval Disarmament Conference in London the Dominion was represented by its High Commissioner, and the resulting Treaty was duly signed on its behalf, in common with the United Kingdom and the other Dominions. A copy of the Treaty will be laid before you in due course for your consideration.

My Government support whole-heartedly the cause of international peace and disarmament, and will take any steps in their power to further this movement so far as it is consistent with the necessities of national defence.

My Ministers regard the League of Nations as a most important means of international conciliation and understanding, and will take as active a part as possible in its deliberations and work. This year, for the first time, arrangements have been made for the representation of New Zealand at the International Labour Conference under the auspices of the League.

The earnest consideration of my Ministers is being directed towards the forthcoming Imperial Conference which will be opened in London at the end of September and at which it is hoped that the Prime Minister will be able to represent New Zealand, especially in view of the importance of the constitutional and economic questions to be discussed and the magnitude of the issues involved.

Among other matters of great moment to be considered is the Report of the Experts Committee on Dominion Legislation, a copy of which will be laid on the Table, while the principal economic subject will be the consideration of ways and means to develop inter-Imperial trade. Unless negotiations can be initiated at an earlier date, it will also be necessary for my Prime Minister while in London to enter into discussions with the Prime Minister of the Dominion of Canada with a view to tariff adjustments between the two Dominions.

The situation in Western Samoa has continued to cause anxiety, and the difficulties in the Territory culminated last December in an outbreak of rioting, which unfortunately was attended with fatal results. My Ministers felt it necessary to despatch H.M.S. "Dunedin" to Apia, and steps were taken to disperse the Mau and to effect the arrest of persons charged with criminal offences. The disaffected Samoans retired to the bush, but on the arrival in the Territory of the Minister of Defence they met the Administrator in his presence, and as a result of this conference all the indicated offenders were surrendered for trial. A further conference between the Administrator and chosen representatives of the Samoans has recently taken place, and the position appears to have greatly improved. My Ministers desire to reaffirm their willingness to consider any legitimate grievances that may be represented by the Samoans, but will continue to insist upon the observance of law and order in the Territory.

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

The promotion of goodwill among the nations of the world has been materially advanced by the satisfactory final settlement of the post-war question of reparations. The agreements recently made at the Hague, to which New Zealand is a party, have been ratified by the Government.

It is pleasing to note that the steps taken by my Ministers during last financial year were successful in rectifying the position of the public finances, enabling the year to be closed with a surplus of approximately £150,000.

In order to provide additional capital for carrying on the programme of public works, notably railway construction and improvement and the develop-

ment of hydro-electric power, a further loan of £5,500,000 was successfully floated in London in May. The issue price was £99 per cent., bearing interest at £5 per cent. The price is deemed very satisfactory in view of the general conditions of the money-market, and the fact that the loan was largely oversubscribed is striking evidence of the confidence that investors have in this Dominion and the management of its finances.

Arrangements have also been made to provide out of local resources additional capital for land-settlement, State advances, forestry, and other activities being carried on by my Ministers with the object of assisting the development of the country.

It is regretted that the heavy fall in the prices obtained for our primary products in the overseas markets has involved a lessened return from the exports of the Dominion. This contraction in the national income, arising from causes beyond our control, inevitably means a period of financial stringency for the whole community.

So far as the national finances are concerned, my Ministers anticipate during the current financial year a substantial decline in Customs revenue, and also a falling-off in the yield from land and income tax.

Recognizing that the present is not an opportune time for placing additional burdens upon the taxpayers, my Ministers propose to meet the position as far as possible by a drastic curtailment of expenditure. This means suspending or severely restricting services and monetary assistance given by the State wherever such action is feasible without upsetting the basic organization of the Departments of State or causing undue hardships to the institutions or sections of the community directly benefiting by particular items of expenditure.

It is a matter for regret that at a time like the present the difficulties of the situation should be greatly accentuated by the fact that the railways, owing to the losses incurred, have now reached the end of their separate financial resources, and cannot longer meet their obligations without substantial assistance, which in this instance can only be derived from taxation. In order that the additional burden to be borne by the taxpayers may be reduced to an absolute minimum, a Royal Commission has been set up to investigate fully all branches of the Railway Department's activities and to advise the Government where economies can be effected.

Being fully aware that the basic cause of the losses incurred by the railways is the rapid development of motor transport and the lack of co-ordination in transport generally, my Ministers will place before you legislative proposals which it is confidently expected will minimize the wasteful competition which now greatly increases the burdens of the people.

While it is probable that the present financial difficulties cannot be overcome without some increases in taxation, the Government are confident that, given the support and co-operation of the public, the position can be met and the Budget for the year balanced without economic strain or imposing undue hardship on any section of the community.

It is a sad fact that unemployment is still a serious problem in this Dominion. My Government, realizing the hardship imposed upon the unfortunate members of the community who are unable to obtain work, will continue their endeavours to provide as much employment as possible on public works and other State activities. To assist in dealing with the special difficulties of married men who are unable to leave the cities because of their domestic ties, my Government has decided to pay subsidies on labour costs at double the former rate to urban and suburban local authorities which undertake additional approved works.

It is satisfactory to note that the position of the State superannuation funds is being investigated, and that an increased amount of subsidy was paid into the funds last year. In due course the proposals of the Government for improving the financial position of these funds will be submitted for your consideration.

HONOURABLE GENTLEMEN OF THE LEGISLATIVE COUNCIL AND GENTLEMEN OF
THE HOUSE OF REPRESENTATIVES.—

My Ministers, recognizing that closer settlement of the land will tend to the better absorption of the Dominion's surplus labour and promote the prosperous development of the country generally, have given close attention to this important matter during the recess; and it is pleasing to record that substantial progress has been made. Not only have many estates been purchased, subdivided, and disposed of, but also a large number of sections of unimproved Crown land have been made available and selected under the provisions of the Land Laws Amendment Act of last session, which authorizes my Government to grant financial assistance to the selectors.

Progress has also been made in the work of developing suitable blocks of Crown land prior to their selection. My Advisers propose to pursue actively this method of increasing the Dominion's productive area. In the opinion of my Ministers this phase of settlement can be greatly expanded, and during the session proposals will be submitted for your consideration, extending the facilities under which such areas can be selected.

My Ministers are pleased to record that under the legislation of last session progress is being made in the development of Native lands. Many areas in both Islands have been under consideration, and work has definitely been commenced on eight of these blocks. These schemes will be pursued with energy and with due regard to economy and farm efficiency, and it is believed that they will inspire the Maori people to utilize their lands to the best advantage.

In conformity with the policy of my Government to afford the public of the Dominion all the advantages made possible by modern scientific developments, arrangements are in train for the early establishment of a radio-telephone service between New Zealand and Australia. When this service is definitely established, it is proposed to use it in conjunction with that existing between Sydney and London as a means of furnishing a further channel of rapid communication with Great Britain and other European countries. No doubt, as time goes on, the link between New Zealand and Australia will be only one in a chain which will render speech possible between the Mother-country and all the outposts of the Empire.

My Ministers, while keenly sensible of the importance of maintaining an adequate system of national defence, have been engaged, owing to the exigencies of the public finances of the Dominion, in a careful consideration of the expenditure involved, particularly in connection with the land forces. A curtailment of the rate of expenditure on this arm of defence has been rendered imperatively necessary, and you will therefore be asked to concur in certain modifications of the present system.

It will be remembered that last year it was foreshadowed that a Select Committee would be set up and evidence taken from different sources with a view of ascertaining the best method of giving effect to an educational policy adapted to the needs of the Dominion. The Committee was duly appointed, and made a tour of the Dominion, visiting all schools of a distinctive type and taking voluminous evidence. Its report will be presented early in the session, as required by the order of reference, when my Advisers expect that the information obtained will be of great value in framing the desired policy.

My Ministers regret that recent earth-movements have threatened the stability of the hydro-electric works at Arapuni, and it has been found necessary to empty the reservoir, thereby involving the temporary closing of the power-house. Very careful investigations into the causes are being made with the best geological advice available in the Dominion, and, having regard to the importance of the matter, the Government have under consideration the engagement of outside expert assistance to furnish a full report upon the position with a view to adopting remedial measures. Every effort will be made to restore the supply of electricity at the earliest possible moment.

The difficult task of endeavouring to solve the problems associated with unemployment has been engaging the close and earnest consideration of my

Advisers. The recommendations contained in the Second Section of the Report of the Unemployment Committee appointed in October, 1928, have been carefully studied. Proposals, which it is confidently hoped will result in considerably relieving, if not wholly overcoming, the hardships arising from unemployment will be brought down at an early date.

Having regard to the present difficult economic conditions and the prevalence of unemployment in the Dominion, my Ministers are of the opinion that the restrictions now in force in connection with assisted immigration must be continued.

During the recess a Commission was set up for the purpose of inquiring into and reporting upon the statutes relating to compensation for accidents to workers, and as a result my Ministers intend to submit to Parliament proposals for extending the scope of existing legislation, thereby providing improved conditions for those workers who suffer injury in the course of their employment.

A special Committee has been investigating the provisions of the Shops and Offices Act, and it is anticipated that its recommendations will aim at removing certain anomalies and also effecting general improvements in this branch of the law.

A Commission was also set up during the recess to inquire into the position of physically incapacitated soldiers. This Commission has reported to me, and its recommendations have been referred to my Ministers for their careful consideration. Proposals will be submitted by my Advisers to promote the welfare of disabled ex-soldiers.

The present law relating to companies has long been out of date, and my Ministers hope that it will be possible to introduce during the session a consolidating and amending measure, based on the Imperial Companies Act, 1929, with such adaptations and modifications as may be considered necessary to suit local conditions. To facilitate the preparation of such a measure the Government has recently appointed a special advisory committee containing representatives of the professions of law and accountancy as well as of general commercial interests.

Consolidating and amending Bills will be submitted for your consideration dealing with Municipal Corporations, Land-drainage and River Boards, and with the slaughtering and inspection of stock intended for human consumption.

Bills will also be introduced to amend the existing laws relating to judicature, Coroners, apprentices, births and deaths registration, public works, Native lands, offenders probation, and Borstal institutions.

While sharing your zeal to enhance the prosperity of the Dominion, I earnestly pray that the discharge of your responsible duties may be guided by Divine Providence and may promote the well-being of New Zealand and its people.

By Authority: W. A. G. SKINNER, Government Printer, Wellington.