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THE Fifth Session of the Twenty-fourth 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 MEMBERS OF THE HOUSE OF REPRESENTATIVES,—

This year His Majesty the King completed twenty-five years of selfless devotion to the exalted duties of his high office, and in every portion of the British Commonwealth of Nations His Majesty's Silver Jubilee was celebrated with spontaneous and sincere demonstrations of affection and loyalty. In New Zealand, where loyalty to the Crown and to the Sovereign personally is heartfelt and universal, the Jubilee Celebrations evoked especial enthusiasm in every city, town, and village of the Dominion. It was my privilege, and indeed one of my first public duties as Governor-General of this Dominion, to preside over the official ceremony of celebration and of thanksgiving by which the occasion was marked in the capital city.

My Prime Minister, with the Prime Ministers of other portions of the British Commonwealth of Nations, represented this Dominion at the Jubilee Celebrations in London, and performed the happy function of conveying to His Majesty and to Her Majesty the Queen an expression of the loyal affection of the Government, the Parliament, and the people of New Zealand, both Maori and pakeha.

In December of last year the Dominion was honoured by a visit from His Royal Highness the Duke of Gloucester. His Royal Highness was the third of His Majesty's sons to visit New Zealand, and the warmth of the welcome extended to him in all parts of the country served once again to demonstrate the attachment of the people of this Dominion to Their Majesties and the Royal Family.

This is the first occasion upon which I have had the honour of meeting you in Parliament assembled, and the occasion is one which affords me the greatest pleasure. I have been greatly touched by the very warm welcome that has everywhere been extended to me and to Her Excellency since we first set foot

upon these shores, and it is our most earnest hope that during our sojourn in New Zealand we may assist in some measure in contributing to the welfare of this great Dominion and to the happiness of its people.

The Dominion has recently been privileged to receive a Good Will Mission from Japan under the distinguished leadership of Mr. Katsuji Debuchi. Animated as it was by the sentiments of good will, peace, and amity, the visit of the Mission has given great pleasure to the people of this Dominion, and will no doubt promote a fuller understanding of mutual problems and still closer relations between Japan and New Zealand.

My Ministers are firmly attached to the principles of world peace and disarmament, and will continue warmly to support the League of Nations. In common with responsible statesmen in other parts of the world, and in other portions of the British Commonwealth of Nations, they have, however, been gravely perturbed by recent international developments. While in London my Prime Minister and my Minister of Finance were afforded the opportunity of a full discussion with His Majesty's Government in the United Kingdom, who are making every possible effort, and exploring every possible avenue, to preserve the peace in the interests of mankind. In the opinion of my Advisers, His Majesty's Government in the United Kingdom should receive the full and unqualified support of His Majesty's Government in New Zealand and the people of this Dominion in their efforts to further that object.

My Ministers feel, however, that they would be failing in their duty were they not to take what reasonable steps are necessary and within their power to provide for the effective defence of this Dominion and for the protection of its people, and steady progress has been maintained with this work.

Progress is being made with the construction of a chain of aerodromes and landing-grounds throughout New Zealand in preparation for the development of civil aviation in the Dominion. My Advisers are giving careful consideration to proposals for an air service to connect the Dominion with the Commonwealth of Australia and with the existing air services to the United Kingdom, and an Empire Air-mail Conference, held at Sydney in February last, was attended by delegates from the United Kingdom, the Commonwealth of Australia, and New Zealand. This Dominion was represented by my Postmaster-General, and the British proposals for an extension of the service to New Zealand, commencing in 1937, were discussed and in principle approved. The investigation of essential points relating to finance and to the type of machines to be utilized is still in progress.

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

It is a pleasure to me and to my Advisers to be able to call your attention to the marked progress that has been made, and is still being made, towards economic recovery in the Dominion. Production has been well maintained, and, though the prices received for our exports of primary products are still low, they are substantially higher than they have been, and the trend is upward. The Dominion has already made a material advance in adjusting its affairs to the lower price-level now ruling, with the result that conditions are now sufficiently stable to engender a feeling of renewed confidence which augurs well for the future.

The problem of overseas markets has, nevertheless, occasioned my Ministers considerable anxiety. The question engaged the close attention of my Prime Minister and my Minister of Finance during their recent visit to the United Kingdom, and the success that has attended their negotiations must be a source of gratification to the whole Dominion.

Not only have the mutton and lamb producers of this country been saved from the great financial loss that would have resulted from the imposition of a levy on mutton and lamb imports into the United Kingdom, but an expanding share of the United Kingdom market has been assured to them, thus extending the principles laid down at the Ottawa Conference. The principle of regulated marketing has also been retained.

My Ministers have agreed to the proposal that an Empire Meat Council should be established, which would have extensive responsibilities in relation to the regulation of market supplies. Such a body, it is suggested, could watch trends in consumption and recommend to Governments the quantities that markets could absorb. In addition, it is proposed that there should be a larger body—a Meat Conference composed of Empire and foreign suppliers—the functions of which would be confined to those matters in connection with the meat market of the United Kingdom which are of common interest to all supplying countries.

During the last few years a series of measures has been adopted to promote the financial rehabilitation of the Dominion. In pursuance of this policy legislation was enacted during last session setting up appropriate machinery for the purpose of facilitating voluntary arrangements between farm debtors and farm creditors, and otherwise effecting a settlement of the financial difficulties of farmers.

The Court of Review constituted by this legislation is now functioning, and the increasing number of applications being received indicates that the measure is proving effective in the permanent readjustment, on an equitable basis, of the liabilities of rural mortgagors.

Provision was also made last session for the establishment of a national Mortgage Corporation, designed to provide long-term finance on the cheapest possible conditions. The activities of this Corporation, which has now commenced business, will materially alleviate the financial burdens that have been pressing so heavily on a large portion of the community, and should assist in strengthening the financial fabric of the Dominion.

My Ministers' unremitting efforts, extending over several years, to restore budgetary stability resulted last year in a surplus of £1,626,000. Owing to some large receipts of a fortuitous nature the result exceeded all expectations, and provided the means of liquidating a substantial portion of the accumulated deficits from past years. Another beneficial result of the sound financial policy adopted by my Ministers is the satisfactory terms upon which the conversion of a further portion of the public debt, domiciled in London, has been successfully accomplished. The result will be a substantial saving in interest charges.

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

During the recess my Ministers have held preliminary discussions with representatives of His Majesty's Government in the Commonwealth of Australia regarding the trading relations between Australia and New Zealand, and it is anticipated that negotiations will be undertaken at the earliest possible opportunity with a view to a complete review of the existing trade agreements between the two Dominions.

My Minister of Customs took advantage of his visit to the United Kingdom to discuss trading relations with the respective representatives of the Governments of Belgium, Germany, the Union of Soviet Socialist Republics, Sweden, India, and the Union of South Africa, while at a later date a similar conference was held with the President and representatives of Departments of State of the United States of America. These discussions have in general resulted in a better mutual understanding, and it is hoped may lead ultimately to agreements with those countries that will effect an extension of New Zealand's overseas markets.

My Ministers are fully conscious of the desirability of such an extension, whenever possible, and for this reason they have decided to appoint Trade Commissioners for New Zealand in Western America and in Europe. My Advisers are also endeavouring to arrange for improved shipping facilities to the markets of the Far East, and material progress in this connection is confidently anticipated at an early date.

The problem of unemployment is still causing my Ministers grave concern, though it is pleasing to note that there has been a considerable improvement in the industrial and economic position. While the co-operation of local employing authorities is everywhere being enlisted with the object of providing the greatest possible measure of full-time employment, earnest efforts are also being made

in the direction of stimulating the rehabilitation of the unemployed in spheres of permanent industrial activity. It is my Ministers' sincere hope that the present improvement in industrial and economic conditions will continue in an increasing measure and thus facilitate the absorption of the unemployed under normal trade conditions.

Although some of the Dominion's manufacturing industries have in recent years been able to show a gratifying progress, and although there now exist very definite indications of an improvement, it is unfortunately a fact that many industrial workers have been suffering from loss of employment. In this connection my Minister of Industries and Commerce has associated with him, in a Development of Industries Committee, representatives of several Departments competent to assist in the work of reviewing proposals for industrial projects which involve State assistance in some form, including financial help from the funds of the Unemployment Board.

In order to meet the needs of prospective settlers and to alleviate the unemployment position, my Ministers have given close attention to the requirements of land-settlement, and steady progress has been made with the programme of land-development not only on areas intended for settlement under the Land Act, but also on land being made available for selection by suitable unemployed men under the Small Farms (Relief of Unemployment) Act, 1932-33.

During their discussions with His Majesty's Government in the United Kingdom, my Prime Minister and my Minister of Finance made careful investigation into the matters of industrial organization, housing policies, health insurance, and pension schemes; while, in New Zealand, committees set up by my Ministers have been making inquiries into the several aspects of national superannuation, health insurance, housing, labour conditions, and the rehabilitation of urban mortgagors. My Ministers have under consideration legislation dealing with these subjects.

My Ministers propose to consider an extension of useful public works, for which the time is appropriate, and the necessary loan-moneys are now obtainable at low rates of interest.

It is pleasing to be able to state that the Dominion has been free from industrial disturbances of a serious nature. Minor stoppages of work which occurred in one or two cases were quickly adjusted.

The toll of fatalities and accidents on roads, which has notably increased in New Zealand during recent months, is causing my Advisers real concern. With a view to remedying the position, proposals have been adopted for the progressive elimination of level railway-crossings; and amendments to the Motor-vehicles Act, 1924, will be introduced for the purpose of improving the traffic laws.

My Ministers also propose to lay before you legislative proposals designed to safeguard the use of electrical appliances, and to make better provision for controlling the sale of stock-foods, a measure relating to colonial light dues, and amendments to the law relating to the dairy industry, land and income tax, coal-mines, mining, public works, Electric-power Boards, health, war pensions, and other subjects.

I earnestly pray that your consideration of these matters may be guided by Divine Providence, and that your deliberations may promote the well-being of the people of New Zealand.