January 11  Government Expenditure

It was announced that Government Departments would have to prune 3 per cent from their budgets for the 1982/83 financial year.

January 18  Air Fare Rises

It was announced that air fares between New Zealand and Australia, the USA, South America and Canada would go up by 5 per cent from 1 February.

January 26  Mutton Sale

The first major mutton sale of the season — worth upwards of NZ$30 million — was negotiated with the USSR.

January 28  Benefit Payments Rise

Social security benefits and war pensions were increased by $9.36 a week for married couples and $3.62 a week for single people.

January 29  National Superannuation

It was announced that National Superannuation rates would rise by 5.9 per cent on 23 March.

Freight Rates

Traditional conference line meat shippers from New Zealand and Australia reduced their rates by 10 per cent to bring them down to the level of new competitors in the market.

February 3  Forest Product Investment Incentives

It was announced that eligibility for ‘high priority’ status of certain forest products would be withdrawn.

February 5  Inflation Bonds

The Right Hon. R.D. Muldoon announced that the more liberal repayment provisions which apply to inflation bonds issued since late last year would be extended to those issued in the first series from 1977.

February 9  Reserve Bank Governors’ Appointments

Announced

Mr D.L. Wilks and Dr R.S. Deane were appointed Governor and Deputy Governor respectively of the Reserve Bank of New Zealand.

Motonui Synthetic Fuel Plant Contract

The American-based Mobil Company decided to sign the contract for the Motonui synthetic petrol plant.

February 10  OECD Report

The OECD annual report on New Zealand was published. Its major predictions were:
— a 16 per cent rise in consumer prices during 1982;
— an increase in household incomes of 20 per cent;
— some growth in both domestic demand and GDP; and
— a static level of unemployment.

February 15  Small Business Loans

The Government announced that it was broadening the scope of its loan guarantee scheme for small businesses so that all small businesses engaged in manufacturing, processing, tourism, and servicing industries which directly earned or saved overseas funds would be eligible for the Small Business Agency loan guarantee scheme.

February 17  Petrol Price Rise

The Minister of Energy, the Hon. W.E. Birch announced that the price of petrol would rise by 3c a litre to 64c a litre for premium grade.

February 22  Milk Exports

The Dairy Board won a fresh order worth NZ$30 million from Peru to supply milk for the recombining trade.

March 3  Financial Services Regulations

Suppliers of finance proposing to institute new specified financial services became required to give the Reserve Bank notice in writing of the price they propose to charge.

March 12  Meat Board Loan

The Government approved a NZ$15 million Reserve Bank loan to the Meat Board to help fund mutton purchases.

March 22  Forestry

CSR-Baigent announced a halt to letting of major contracts for the NZ$150 million Eves Valley pulp mill, citing a slump in the world price of wood pulp and dissatisfaction with the negotiated electricity price as the reasons for the delay.
March 23 Overseas Loan
The Minister of Finance, the Right Hon. R.D. Muldoon, announced that the current United States dollar floating note issue would be increased from US $250 million to US $350 million.

March 29 Transport Fees
Various increases in transport fees were announced. The major movement was the increase of $19 in the private motorists' registration fee.

March 30 Air New Zealand
The Government announced that it would lend Air New Zealand NZ$50 million.

Local Authority Finance
The Right Hon. R.D. Muldoon announced increases in the local authority security ratios on life insurance companies, private superannuation funds and building societies, to help meet the essential needs of local authorities for loan finance.

April 1 Government Charges
Increased charges for postage, telephone rentals, state coal, bulk electricity and road user charges were announced.

April 7 Financial Services Regulations
The Reserve Bank moved to close some of the loopholes in the Financial Services Regulations in a letter to institutions asking them to follow the regulations 'both in law and intent'.

April 14 Taxation Task Force
The New Zealand Task Force on Tax Reform published its report. Its major recommendations were that present income tax should be reduced, families should get greater tax support and wholesale sales tax should be extended and rationalised.

Post Office Interest Rates
The Post Office Savings Bank increased its interest rates on deposits.

April 19 Aluminium
Comalco reached agreement on the long-term supply of substantial quantities of primary aluminium to the large Japanese concern Showa Denko.

April 21 Meat Board
The New Zealand Meat Board obtained a US$125 million short-term credit as a hedge against fluctuations in meat prices.

April 23 Money Market
The Governor of the Reserve Bank, Mr D.L. Wilks, announced that the Bank would step up its purchases of short-term private sector securities.

April 28 Overseas Loan
The Minister of Finance, the Right Hon. R.D. Muldoon, announced that the Government had signed an agreement to borrow 15 billion yen (NZ $82 million).

May 4 Aluminium
The Government reapproached Comalco about the possibility of a fourth and fifth aluminium potline at Tiwai Point.

May 10 Meat Producers Board
The New Zealand Meat Producers Board announced that it was borrowing US$125 million to finance its intervention in the export trade.

May 21 Liquor Price Controls
The Government removed price controls on liquor.

Air New Zealand
Air New Zealand sealed a contract to lease two of its six DC10’s to a Chilean airline.

May 26 Overseas Loan
The Minister of Finance, the Right Hon. R.D. Muldoon, announced that a loan of 100 million Swiss francs (NZ $68 million) had been obtained by the Government.

June 3 Air New Zealand
Air New Zealand announced that it would cut almost 1000 people from its payroll by early next year as the first stage of a redundancy programme aimed at increasing efficiency.

June 6 Government Revenue and Expenditure
The Minister of Finance, the Right Hon. R.D. Muldoon, released the Public Accounts summary for the year to 31 March 1982. This showed that the deficit before borrowing was NZ$1,879 million, $271.7 million less than was budgeted for.

CER
The final draft agreement on Closer Economic Relations was released. This contained a large number of trade liberalisation measures with the ultimate objective of no trade restrictions by 1995.
June 14  

**Petrol Price Increase**

The price of standard and premium grade petrol rose by
4 cents a litre to 65 and 68 cents a litre respectively.

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June 17  

**Aid for Hill Farmers**

The Government made NZ$40 million available to the
Rural Bank for aid to help hill country sheepfarmers
and other shearers affected by drought and
outbreaks of facial eczema.

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June 18  

**Railway Charges**

The Chairman of the Railways Corporation, Mr L.
Papps, announced that Railway's charges would increase
by between 8 per cent and 20 per cent from 18 July.

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June 22  

**Wage, Price and Rent Freeze**

The Government imposed a twelve-month wage, price
and rent freeze in a move aimed at cutting New
Zealand's inflation rate. A freeze was also imposed on
interest rates, dividend rates, directors' fees and
professional charges.

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June 23  

**Aramoana Smelter**

Plans for the Aramoana aluminium smelter collapsed
after a meeting between the Pechinck-backed
consortium and the Minister of Energy and National
Development, the Hon. W.F. Birch failed to reach
agreement on the level at which the basic power price
should be set.

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**Exchange Rate**

The Minister of Finance, the Right Hon. R.D.
Muldoon, announced that the creeping devaluation of
the New Zealand dollar would be suspended and that
the exchange rate would be held at its present level.

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June 24  

**Overseas Loan**

The Minister of Finance, the Right Hon. R.D.
Muldoon, announced the arrangement of a sterling
bond issue of £100 million — the first since 1971.

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July 1  

**Dairy Contract**

The New Zealand Dairy Board signed a contract to
provide a minimum NZ$90 million worth of dairy
products to Kuwait over the next 5 years.

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July 12  

**Interest on Deposits Order**

The Minister of Finance, the Right Hon. R.D.
Muldoon, issued a new Interest on Deposits Order so as
to close loopholes left following the introduction in the
previous month of the freeze on interest rates.

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July 20  

**Proposed Nickel Smelter**

An Auckland company revealed it had made major
advances in plans to build a $100 million nickel smelter
in Nelson.

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July 26  

**New Forestry Project**

Shell Oil and New Zealand Forest Products announced
plans for a very large afforestation scheme in
Northland.

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**Taxation Agreement**

New Zealand and the United States signed a new double
taxation agreement to avoid dividends, interest and
other incomes being taxed twice.

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July 29  

**Synfuel Plant**

A US $1,700 million credit advance to the New Zealand
Synthetic Fuels Corporation from 40 lending banks was
signed in London.

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August 3  

**Wool Board Loan**

The New Zealand Wool Board negotiated a fresh
US$100 million standby loan facility to back its market
support activities.

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**Financial Services Regulations**

The Minister of Finance, the Right Hon. R.D.
Muldoon, announced that new Financial Services
Regulations had been implemented which had the effect
of amending the previous Regulations and widening
their application. The main change was a reduction in
the exemption which applied to suppliers of financial
services from $100,000 to $10,000.

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August 4  

**Benefit Increases**

Further social security benefit increases, backdated to
21 July, were announced by the Minister of Social
Welfare, the Hon. V. Young. These included a new rate
of $62.97 per week for single people under 18 who
receive an invalids or a sickness benefit. Other benefits
to rise were unemployment benefits (for single people
under 20 with no dependent children), orphans' benefits
and child supplements.

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August 5  

**1982 Budget**

The 1982 Budget was introduced. Highlights of the
Budget included:

- A rationalisation of the personal income tax scale.
- A tightening of the requirements necessary for
  approval of a private superannuation scheme.
- Taxes on alcohol and tobacco products rose by an
  average of over 30 per cent.
- Duty on premium grade petrol rose by 3.1 cents per
  litre.
- The treatment of financial leases by financial
  institutions in the same manner as short-term hire
  contracts for income tax purposes became
  prohibited.
- Deregulation of major sectors of the transport
  industry became a matter for immediate
  consideration.
August 20  
Price Freeze Regulations
The Minister of Trade and Industry, the Hon. H.C. Templeton, announced moves which would allow traders to pass on certain wage costs into prices as well as moves to provide greater flexibility in other areas of the price freeze regulations.

September 1  
CER Import Licences
The Government announced that half of the licences for exclusive imports of Australian goods under Closer Economic Relations would be put up for tender.

September 3  
Government Loan
A NZ$465 million Government loan raised in Britain was confirmed by the Acting Minister of Finance, the Hon. J.H. Falloon.

October 1  
Westpac
The new Westpac Banking Corporation, the result of the merger of the Bank of New South Wales and the Commercial Bank of Australia, was officially launched.

October 5  
Shellfish Exports
A new market for New Zealand shellfish was opened by the signing of a Government agreement with Canada.

October 16  
Refining Company Loan
A US$750 million syndicated loan for the New Zealand Refining Company’s Marsden Point expansion was signed in London.

October 20  
EEC Butter Quota
Agriculture ministers of the European Economic Community agreed in principle to a quota of 87,000 tonnes of butter from New Zealand for 1983.

October 26  
New Power Station
The Government approved the construction of a geothermal power station at Ohaaki and the development of the Broadlands geothermal field near Wairakei.


November 3  
Petrol Plant Loans
Japanese loans totalling NZ$325 million for the Motonui synthetic petrol plant were finalised by the New Zealand Synthetic Fuels Corporation.

November 9  
CER
The Australian Government approved the Closer Economic Relations agreement with New Zealand, paving the way for trade liberalisation between the two countries.

November 15  
Overseas Loan
The Government signed an agreement for a Japanese yen syndicated bank loan worth 15 billion yen (about NZ$78 million).

November 30  
Overseas Loan
The Minister of Finance, the Right Hon. R.D. Muldoon, announced that the Government would borrow a further NZ$65 million on the Swiss market.

December 6  
Timber Processing Plant
H. Baigent and Sons Ltd, Nelson, announced that Shell (NZ) and the Todd Group would join it in a NZ$30 million timber processing plant in Nelson.

December 7  
Overseas Loan
The Minister of Finance, the Right Hon. R.D. Muldoon, announced that the Government would borrow a further NZ$82 million from West Germany.


November 1  
Overseas Loan Increase
The Minister of Finance, the Right Hon. R.D. Muldoon, announced that a syndicated note facility arranged with Citicorp International Group and other banks would be increased from US$500 million to US$750 million.


December 12  
Lamb sale
The Meat Board confirmed that it had sold 100,000 tonnes of lamb to Iran.

December 14  
CER
The Closer Economic Relations agreement between New Zealand and Australia was formally signed.
January/February, 1983

RESERVE BANK OF NEW ZEALAND LIABILITIES

($) millions

<table>
<thead>
<tr>
<th>Overseas Liabilities</th>
<th>State</th>
<th>Deposits</th>
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<tr>
<td><strong>Denominated in Overseas Currency</strong></td>
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<tr>
<td><strong>As at</strong></td>
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<tr>
<th>Assets (NZ$ millions)</th>
<th>Overasst</th>
<th>Advances and Discounts</th>
<th>Investments in NZ$1</th>
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<tr>
<td><strong>Denominated in Overseas Currency</strong></td>
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<tr>
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1 Foreign Currency Conventions
Overseas assets and liabilities are expressed in NZ$. Adjustments to those items denominated in foreign currency are accounted for exchange rate movements and are made monthly.

2 Valuation of Investments
Overseas assets are shown in the balance sheet at cost (subject to exchange rate adjustments). A market value is not readily available for the majority of overseas investments held. New Zealand investments are shown at the lower of cost or market value; adjustments to market value (where necessary) being made monthly.