



**C.E.R.**

Agreement was reached on conditions under which N.Z. finance companies can expand into Australia.

**May 15 Major Bank Merger**

The Bank of New South Wales and The Commercial Bank of Australia announced a plan to merge.

**May 22 Wage Order**

A 5% cost-of-living increase to operate from 11th June was granted by the Arbitration Court.

**June 5 Coal Industry Proposal**

The Prime Minister, the Right Hon. R. D. Muldoon, announced the Government's plans to rejuvenate the West Coast coal industry, transforming it into a \$100m a year export earner employing about 500 miners.

**Government Overseas Loan**

The Minister of Finance, the Right Hon. R. D. Muldoon, announced that New Zealand has arranged a loan equivalent to \$102m from a Middle East source.

**June 8 Oil Pipeline Approved**

Government approval for construction of an oil pipeline between the Marsden Point Refinery and Auckland was announced by the Minister of Energy, the Hon. W. F. Birch.

**June 18 Eurobond Loan**

The issuing of a 6½ year Eurobond for 15 billion yen by N.Z. was announced.

**June 23 Oil Deal with Indonesia**

New Zealand's plans to negotiate buying up to 8% of its oil needs through a direct Government-to-Government deal with Indonesia.

**June 30 New Zealand Planning Council**

The New Zealand Planning Council Report, 'An Agenda for Tax Reform' was published. It saw the tax system as being in pressing need for reform due to the distortions of inflation. The Council urged the prompt setting up of a task force to report to the Government on the options of tax reform by the middle of 1982.

**July 7 Price Controls**

The Government reintroduced price control on apples and pears.

**July 8 Gas Pipeline to Hawke's Bay**

The Minister of Energy, the Hon. W. F. Birch, announced that the Cabinet had agreed that a gas pipeline should be built to Hawkes Bay.

**July 10 Budget 1981**

The 1981 Budget was introduced. It estimated the deficit before borrowing for 1981/82 to be \$2,090m. Highlights of the budget included:

- The child supplement paid to income-tested beneficiaries will be increased from \$4 to \$5 a week
- The basic tertiary assistance grant will be increased to \$27 a week, commencing in 1982.
- The existing home ownership savings schemes will be amended by reducing the minimum savings term from 3 years to 2 years; increasing the maximum savings from \$2,000 to \$3,000 per year; requiring savings to have been in accounts for at least 3 months to qualify for the benefits; and allowing private savings banks to offer these accounts.
- A series of taxation measures including raised depreciation limits on business motorcars; raised exemptions on estate duty; a change to a single rate of 2 cents per dollar of taxable value of land; raised taxes on alcohol and tobacco.

**July 13 OECD on New Zealand Economy**

The Organisation for Economic Co-operation and Development's 'Economic Outlook' predicted that New Zealand's underlying rate of inflation of about 17.5% was likely to remain unchanged and that the external deficit was likely to widen during 1981/82.

**July 16 Reduced Interest Rate on Penal Borrowing**

The Governor of the Reserve Bank, Mr R. W. R. White, announced a one percentage point reduction in the interest rate applied to borrowing from the Reserve Bank by the trading banks and the four official short-term money market dealers.

**July 24 Wool Price**

The Wool Board announced a minimum wool price of 250c a kg for the new season.

**July 30 Rail Changes**

The Railways Corporation Bill was introduced into Parliament.

**August 6 Dairy Board Butter Deal**

The New Zealand Dairy Board announced that it had bought 100,000 tonnes of U.S. butter in order to save its own export markets.

**August 20 Pine Ethanol Plant**

The Government announced plans to develop a small

**November 30**

**Election 1981**

The election night result of the N.Z. General Election was: National 46 seats; Labour 44; Social Credit 2.

**December 10**

**Election 1981**

Final results of the 1981 N.Z. General Election were: National 47 seats; Labour 43; Social Credit 2.

**Merging Banks**

The Bank of New South Wales and the Commercial Bank of Australia announced that their merger should be completed by March 1983. The new bank will be known as Westpac.

**December 15**

**Railways Electrification**

Electrification of the main trunk line between Palmerston North and Hamilton was approved.

**December 4**

**Japanese Beef Quota**

The Japanese Government decided to cut New Zealand's beef exports to Japan by 4,000 tonnes.

**December 17**

**State Pay Agreement**

The Government and the combined state unions agreed on the annual adjustment for state pay rates ranging from a 7.2% increase in basic clerical grades through to a 10% increase for tradesmen.

**December 8**

**Soviet Dairy Deal**

The Dairy Board announced a four year supply agreement for butter and wholemilk with the Soviet Union.

**December 23**

**Railway, Post Office Charges Increase**

New year increases in Post Office and Railway charges were announced. Major increases were a 15% rise in all railway freight charges and passenger fares and a 4c rise in the cost of mailing a standard letter.