

The Coinage Act, 1933, authorizes the adoption of a cupro-nickel standard, and amending legislation was passed this session enabling such coins to be offered as legal tender.

Sterling Funds

At the end of June last our sterling balances had reached a total of £105,068,000 as follows:—

Reserve Bank	£	92,644,000
Trading Banks		12,424,000
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					£105,068,000
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This accumulation of funds has arisen because of our inability to import necessary goods; at present import licences outstanding amount to £123,000,000. Moreover, it is estimated that about £150,000,000 is required to provide for the accumulated needs for capital goods necessarily postponed on account of war circumstances.

Great Britain has indicated that it would assist her materially in her present difficulties if we were to limit our current imports to the extent of our current earnings from exports, so that she may have more goods available to export to scarce currency areas. A large part of New Zealand's dollar needs are supplied through Great Britain and thus any transfer of import licences to North America or other scarce currency countries would obviously only accentuate Great Britain's difficulties, and our own. The New Zealand Government, therefore, plans to assist Great Britain in this direction as far as possible.

Perhaps the most urgent of Great Britain's problems is obtaining sufficient food. The maintenance of the health and welfare of her people is fundamental to the solution of all her difficulties. Recent press announcements have emphasized the seriousness of the position. Although of necessity Great Britain has had to make substantial reductions in her imports from certain countries, she is prepared to take all the foodstuffs which we can produce, and I feel sure our farmers will do their utmost.

To meet the crisis which has come upon her, Great Britain is making various special arrangements all with one object in view; to increase production and exports. More production is the only solution to Great Britain's difficulties, and it is the only way out of ours.