

of the sterling area for essential commodities are an important element in the whole problem, and ways and means of dealing with it are under consideration. It is clear that the only real and permanent solution is a development of world trade on a multilateral basis as envisaged in the Havana Charter.

Aid to Britain

In order to render the maximum assistance possible to the United Kingdom, the Government, in August and September of last year, invited some three hundred persons, representative of all sections of the community, to assemble in Wellington and discuss ways and means to conserve dollars, to avoid waste, to facilitate the despatch of produce to the United Kingdom, and to increase production, particularly in the primary industries.

At the same time the United Kingdom requested New Zealand to endeavour to limit payments for imports and other overseas transactions to our current receipts of foreign exchange from exports and other sources. This request was designed to free the United Kingdom from being called upon to export to us goods which did not earn current imports for herself so that she might employ the productive effort thus released in the production of goods for export to other countries, particularly in hard-currency areas. This objective has been an over-riding factor in determining our external trade policy this year, and it seems that, apart from debt-repayment transactions, the objective will be substantially achieved. At the same time we have adopted the utmost economy in the expenditure of dollar funds.

I would like at this stage to emphasize that the need for Aid to Britain is just as important to-day as it was a year ago, and will continue to be of vital importance to New Zealand until Britain is over her present difficulties, which may require a longer period than most people realize.

The successful rehabilitation of the British economy depends in large measure on the success of the European Recovery Programme. There is no need for me to reiterate how much New Zealand's economy is dependent on prosperity in Great Britain, but I feel that the point cannot be emphasized too often. Therefore, New Zealand must, in turn, be prepared to support the European Recovery Programme because its success is vital not only to the economic recovery of the world in general, but also to the prosperity of our principal customer and the major supplier of our imports. We may be called upon to assist the plan generally by foregoing in some part certain commodities which will have to be diverted to European countries to assist their reconstruction. We can assist Britain actively, and through her the other countries of Europe, by increasing our exports of primary produce.