The purposes of the proposed Organization are to achieve higher standards of living, full employment, economic development, and expanded production of capital and consumption goods through the reduction of tariffs and other barriers to trade and the avoidance of circumstances which would impel nations to have recourse to drastic restrictive measures. Stability of supply and demand, especially for basic foodstuffs and raw materials, is essential if the world-wide economic depressions of the past are to be avoided. The organization will provide machinery for international co-operation to deal with surpluses and shortages through intergovernmental commodity agreements. These agreements are designed to ensure that an adequate supply of food and other commodities are available at a price fair to both consumers and producers and at the same time to remove the root causes of excessive fluctuations of supply and demand so as to prevent their recurrence.

The draft charter is to be considered at a world conference on trade and employment which is likely to be held about the end of this year.

The nations represented at the Geneva meeting, at which I had the honour to lead the New Zealand delegation for a time, are also taking part in a series of tariff negotiations. It is intended that all countries present at Geneva should receive the benefit of tariff reductions negotiated in this way through a multilateral tariff agreement to be prepared when bilateral negotiations between the various countries have concluded.

Loan to France

As a further practical contribution to the solution of the problems to which I have referred, an agreement has recently been concluded with the French Government whereby the New Zealand Government have agreed to provide credits of up to £5,000,000 sterling to purchase New Zealand produce during the five years ending 30th June, 1952. While the principal object of the loan is to facilitate the purchase of wool, other produce may be so financed if mutually agreed upon.

The agreement provides that the amount of the credit to be drawn each year shall not exceed one-half of the payments made during that year for purchases of wool or other produce. The rate of interest agreed upon is $2\frac{1}{2}$ per cent. per annum.

The loan has been granted in terms of the Finance Act (No. 2), 1946, and, it is hoped, will be of material assistance in the re-establishment of French industry.

Production and Trade

Fundamentally, the solution of the world's most pressing problems can come only from more production and more trade. It is available goods and services, and not money, that provide a standard