The outstanding characteristics of our present economic situation are therefore still largely due to war, and may be summarized as follows:—

Ample markets for our produce.
Full employment.
National income greater than the available supplies of goods and services.
Excessive pressure on prices.

These are very important economic phenomena, and for that reason I propose to take up later some part of the time of the House in examining their effect on the national welfare and in considering and explaining what are the best financial decisions that can be taken in the interests of New Zealand to provide not only for maintenance, but also for improvement of our standard of living.

We have had in the past many anxieties as to markets and fluctuations of prices, but the long-term meat and dairy-produce agreements which have just been concluded with the Government of the United Kingdom will help to provide, in respect of those commodities at least, for stable conditions during the next seven years.

It is a pleasure to express appreciation of the work of the representatives of the Dairy Products Marketing Commission and of the Meat Producers' Board with Mr. B. C. Ashwin, Secretary to the Treasury, in the result of the negotiations recently completed in London. Whilst the agreement will make a major contribution to the economy and welfare of the United Kingdom it also provides security of markets for our butter, cheese, and meat, which will be very helpful in the difficult years ahead.

New Zealand has, despite a war effort that ranks proportionately with that of the best, fared comparatively well during the past ten years and can be included among the more fortunate nations of the world. A large part of her national income arises, however, from sales to overseas countries, and a similarly large part of her national expenditure is devoted to imports and to settlement of overseas obligations. For these reasons New Zealand must inevitably be affected directly and strongly by international trends in regard to demand, supply, and prices and cannot afford to ignore proposals for international collaboration and agreement in matters pertaining to trade and employment.

Geneva Trade Agreement and the Havana Charter

An outstanding feature in international economic affairs in the past year is the completion of the text of the Havana Charter for an International Trade Organization and the provisional application by a large number of important trading nations of the General Agreement on Tariffs and Trade made at Geneva. The House has already approved the Geneva Agreement, which embodies the principal