

It is obvious that cutting down imports might retard the achievement of the longer range objective of a balance based on full employment and a high level of multilateral trade. It was, therefore, strongly urged on behalf of New Zealand that everything possible should be done to meet the immediate problem by increasing dollar earnings and where appropriate by borrowing dollars.

It will be generally agreed, that without interfering with essential food supplies to Great Britain, New Zealand could make a contribution to the dollar pool. I am confident that an appreciable proportion of our contribution can take the form of increased dollar earnings. Special measures will therefore be taken to increase exports to United States and Canada and to ensure that we obtain the benefit in dollars from such exports. At present we are losing dollars through operations in New Zealand goods in free sterling markets by dealers in other countries.

To the extent that we need to import essential requirements, particularly for capital purposes, from Canada and United States, consideration will be given to borrowing dollars provided loans can be obtained on reasonable terms and conditions.

It was recognized at the Conference that a permanent solution could be found only in a world-wide pattern of full and productive employment such as would make possible a self-balancing system of international payments. This involves the development of the agricultural and industrial resources of the sterling area and in fact of the whole of the non-dollar world to provide more primary products and manufactured goods for supply at competitive prices to dollar markets and to other markets at present abnormally dependent upon supplies from dollar countries.

Developments in many countries and particularly in undeveloped countries are held up by lack of capital. Dollar countries could hasten a permanent solution of present difficulties by encouraging international investment in productive enterprises by their citizens and through national and international institutions. In the past such an investment policy consistently pursued over many years by Great Britain was a powerful factor in the development of the British Commonwealth and also of the United States and other countries.

Countries in the dollar area can also assist by maintaining a high level of employment, income and demand in their territories and by facilitating and encouraging the purchase of goods and services from other countries.

For their part the Commonwealth representatives at the Conference agreed that what was necessary was the speediest possible increase in efficient and economic production and co-operation to