

other means. Thus a new refugee organization will need to be established to care for displaced persons and certain of the rehabilitation projects could be taken over by the new World Bank. It is expected, too, that the UNRRA health activities will be taken over by a new world health organization. In other words, it is considered that a continuation of the existing UNRRA measures should be a world responsibility—a responsibility of the United Nations.

New Zealand is also a contributor to the United Nations Organization and, as honourable members are aware, our representatives have taken a very active and influential part in the activities and discussions of that organization. The United Nations Organization will, it is hoped, have all the advantages without the manifest weaknesses of the old League of Nations which is now in process of being wound up.

Another international organization to which New Zealand is a contributor is the Food and Agriculture Organization, with headquarters in Washington. The purpose of this organization is to formulate plans for the more equitable distribution and better utilization of the world's food resources, particularly during the present emergency, where there is a world shortage of foodstuffs.

The restoration of world trade is a further necessary precondition of permanent peace.

A practical and important example of the mutual desire for the successful and early restoration of world trade is to be found in the loan agreement recently concluded between the United Kingdom and the United States of America Governments. The United States has granted the United Kingdom a loan of 3,750 million dollars which will be used mainly for the importation of much-needed foodstuffs, machinery, and raw materials.

As New Zealand relies on the United Kingdom for dollar funds, the conclusion of this loan will be of benefit to this Dominion also. It is not intended, of course, that there should be a general relaxation of controls in respect of imports from the United States as the funds are loan-moneys and as such have to be repaid, but it will enable a much quicker restoration of international trade to be effected than would otherwise have been possible. New Zealand still adheres to a policy of Empire preference.

In fact the loan will provide the United Kingdom with a much-needed breathing space within which to recover and reorganize her industries for peacetime production and build up an export trade sufficient to pay for imports of food and raw materials and also to meet her international exchange obligations. The Mother Country is at present embarrassed with the huge accumulation of sterling obligations amounting to £3,500 millions owned by various countries, the largest holders being India and Egypt. To a large extent these balances are the result of the United Kingdom's efforts in the war