

Mr. Nash is at present engaged in discussions on financial questions and on the prices of New Zealand products. On his way back to this country it is anticipated that he will conclude with the United States Government a final settlement covering outstanding lend-lease and reciprocal-aid transactions upon which agreement in principle has been reached and the drafting of which is nearly complete.

Mr. Nash will also continue discussions with the United States authorities on the mutual use of island bases in accordance with my Government's desire to be closely associated with the Government of the United States and other Commonwealth Governments in responsibility for defence in the Pacific.

There is one problem the seriousness of which has never ceased to cause deep concern to my Government, and the deepening shadows of which have long suggested the inexorable approach of catastrophe. Following close on the privations of war, one of the worst famines in history is threatening with starvation hundreds of millions of human beings in India, in China, in Europe, and in almost every corner of the globe. By good fortune our country has escaped this culminating disaster, but for no nation is there any escape from the responsibility to save human lives.

In spite of the drought which has seriously impaired New Zealand production, and although New Zealand has not herself sufficient cereals for her own requirements, the fullest measure of assistance is being afforded to the distressed countries. The extraction rate in the manufacture of flour has been increased in order to reduce wheat importation, and my Government have recently called for a national campaign which, by encouraging increased production, the saving of fats, the voluntary surrender of coupons for rationed foodstuffs and the elimination of waste, aims at augmenting food exports to the United Kingdom so that they may be used to relieve the present distress and provide for even greater assistance next season when the crisis will still be severe.

My Government have also taken a full share in the work of the United Nations Relief and Rehabilitation Administration, and have participated in all the principal meetings of its Council and its Far Eastern Committee. When it became apparent that the resources of the Administration, based on the initial contributions of member countries, would be totally inadequate for the programme to which the Administration was committed, my Government, in response to an urgent appeal from the Council, felt New Zealand could do no less than make another contribution comparable to its first, and it is proposed to submit to Parliament at an early date the legislation necessary for this to be authorized.

My Government have also participated fully in the work of the Food and Agriculture Organization and have been invited to accept membership of the International Emergency Food Council, whose establishment was recommended at a special meeting on urgent food problems which the Organization has just held in Washington.

In the Far East, New Zealand has continued and further developed its association with other nations intimately concerned in ensuring that Japan does not again menace the peace of the world. From the time of the first meeting on 30th October last, New Zealand has been among the nations represented on the Far Eastern Commission. When that body paid a brief visit