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STATEMENT BY RT. HON. WALTER MASH, MINISTER OF
FINANCE AND CUSTOMS, AND LEADER OF NEW ZEALAND
DELEGATION, BEFORE PRIMARY MEETING OF UNITED
NATIONS CONFERENCE ON TRADE AND EMPLOYMENT.

The Government of New Zealand has sent its delegation to the Conference to assist in establishing an International Trade Organization to achieve the objectives as set out in the first chapter of the draft charter. Insofar as the members of the delegation can help they will on all occasions work towards that end. We are still hopeful that adjustments may be made in some provisions of the charter to remove any doubt that the policies which we consider to be essential to the achievement of the objectives may be continued. My first point then is that we are here to help to frame the charter. At the same time we will seek by every possible means to improve the charter.

We are all faced with a danger to which I feel obliged to draw attention. There is a tendency - perhaps sub-conscious, but certainly present in all of us in varying degrees - to approach a subject with a pre-conceived and fixed opinion that we are right. The danger is that no amount of discussion will shake our opinions. We will hear many divergent opinions at this conference. From the aspect of international co-operation, some may be right; some may be wrong. Opinions of all kinds and shades, which are often honestly presented as ethical axioms, are too frequently based on national economic self-interest; an attitude which in the interests of international co-operation we must be prepared to modify. In following this policy we may well find that international co-operation we must be prepared to modify. In following this policy we may well find that international co-operation has brought the attainment of our national objectives closer within our reach.

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How does New Zealand see the present draft? Its purpose is one to which all can subscribe. There is general agreement that the purposes and objectives outlined in Chapter I are desirable and practicable of attainment.

The fundamental objective of the Charter is that of higher living standards which means not merely a sufficiency of the material things of life but a longer, healthier, happier life with freedom from insecurity and fear. To this end full employment and international trade are only means. In many parts of the world - in the relatively undeveloped countries and also within the larger countries which are usually considered to have reached a high level of development - there are too many people whose standards of living are intolerably low. Wide differences in living standards whether between countries or between groups within a single country, cause tension which inevitably leads to economic and social conflict and ultimately may lead to war. If we fail to remove these economic barriers to international goodwill and to industrial peace, we shall be responsible for the disastrous consequences. So long as basic human needs remain unsatisfied, we who are more fortunate must make the fulfilment of those needs an urgent task of the first importance. In this enlightened age the peoples of the world will not tolerate indefinitely the disequilibrium in distribution of goods which has characterized international economy in the past.

For too long the world has been divided into two groups - the dominant, and the subservient - and the exploitation by one of the other has brought about an unjust and undesirable state of tension. Some colonizing nations have made a great contribution to the expansion of production and the raising of living standards, but many methods adopted in the past will not be tolerated in the world of the future. It is more than

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ever necessary to exploit natural resources wherever they are, but exploitation of people must cease.

An American sage, Abraham Lincoln, once said "You cannot have a world half slave, half free". Another great American has said-

"You cannot hem the hope of being free

By parallels of latitude, by mountain range or sea."

New Zealand has been associated throughout with the development of the Charter. We have been glad to co-operate because we believe that the purposes and objectives of the Charter must be achieved in order that world peace be maintained. New Zealand is one of the "have" nations. There is no poverty in New Zealand, neither is there any fear of poverty. The standard of living of our people is high. Production and trade per capita are among the highest in the world. Proportionately we contribute at a high level to international prosperity. We believe, however, that we can improve on the present position if satisfactory conditions are provided.

With this in mind New Zealand desires to place the greatest emphasis on the fundamentals in the first part of the Charter; for, if these highly laudable principles were observed in practice by all members, so-called trade restrictions, which are symptomatic of deeper disorders, would to a large extent be unnecessary. By all means let us safeguard against the restrictionist and unenlightened use of these devices - but such safeguards are the negative aspects of much more fundamental problems. In our discussions here, and later when I.T.O. is functioning, we must concentrate on the positive task of carrying out the policies of full employment, rising demand, balanced payments and, equally as important, the development of the under-developed countries.

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One of the means provided in the Charter to achieve our purpose is that of multilateralism. This term must not be confused with Free Trade. Whatever help multilateral tariff rates or Free Trade may give, neither will solve the problem with which we are faced. What is necessary is to maximise production; promote international exchange; and ensure effective demand in all countries. The trade desired is trade which is large and expanding and which is not subject to sudden and wide fluctuations in price or volume. This, New Zealand submits, can best be achieved by some degree of planning, subject to safeguards against discrimination and restriction.

New Zealand has for some years operated quantitative regulation of its foreign trade. We are convinced that this method, in conjunction with general planning and diversification and development of production, is better than tariffs or subsidies for regulating and expanding trade. New Zealand has consistently endeavoured with some measure of success to maximise its external trade. New Zealand, accepting the demands of war conditions, has discriminated since 1939 in favour of certain countries but has announced its intention, except under the compulsion of scarce currencies, to follow the principles of the Charter and to abolish all discrimination.

The trade and economy of New Zealand is specialised. A particularly high proportion of our external exchange is gained from the export of animal products. The money value of these exports per capita is the highest of any country in the world. We can increase the volume of exportable foodstuffs — but sale at stable prices is essential to the maintenance of our internal economy and the overall expansion of production. The high degree of specialisation achieved in our farming industries has progressively liberated manpower to other pursuits, and this particular factor, associated with non-availability of manufactured goods from other countries, has led to the development of secondary industries.

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We have found in practice over a period that a policy of import selection or quantitative regulation, together with a control of exchange, has enabled us more fully to develop our resources. On a number of occasions it has been stressed that continuity in these policies is essential to ensure maximum internal development. The dangers of unqualified restriction are recognised and New Zealand has always been prepared to subscribe to any reasonable safeguard against abuse.

May I summarise. New Zealand has been operating a managed economy policy for the past nine years. Under this economy we have guaranteed primary producers a price for their commodities sufficient to cover the costs incurred by the average efficient farmer, together with a full return for his capital and labour. Since the commencement of the war New Zealand has sold its meat and dairy products through Bulk Contracts. After making provision for debt service licenses for imports have been issued to the full extent of the available overseas exchange.

We desire to continue our Bulk Sale a system and also our system of guaranteeing a price that will cover costs to our producers of meat and dairy products.

We believe that domestic planning and deliberate government direction and guiding of production and distribution will in many cases bring better results than the free play of market forces.

We desire to continue the policy of quantitative regulation of our trade so long as this regulation provides for expansion of trade as opposed to restriction.

We are appreciative of the great co-operation shown by the representatives of the countries at Geneva in their consideration of New Zealand policy. We come here, as I said at the beginning of my address, to do all that we can to promote an effective Charter and to build an efficient organization.

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We believe that the objectives of the Organization can best be realised by each nation;

- (i) consciously developing the human and material resources of its territory with the object of maximum production of goods and services in current need;
- (ii) exporting all goods surplus to current requirements;
- (iii) importing to the limit of its export realisations after debt and other external commitments are met; and
- (iv) negotiating with other nations with a view to promoting that development of international industrial specialisation which, while enabling each nation to make the maximum contribution to world production and living standards, preserves at the same time its own living standards.

These objectives in particular require the assistance of the older nations in the supply of credit by way of investment and the provision of the necessary capital equipment to enable the countries at present under-developed to employ their people on the resources of the lands over which they maintain sovereignty. With the fullest assistance in this direction production and living standards can be improved a hundred-fold within a reasonably short period.

The need has never been so great. The task has never been more difficult; but the objective, if realised, will be worth all the difficulties and the toil and patience involved. I hope, Gentlemen, that by the end of January next we will be well on the way to a more sensible, rational and worthwhile system of production and distribution for the benefit of all who contribute their share of work and service to provide the things that make life desirable.

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