

SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE
UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT.

CORRIGENDUM TO VERBATIM REPORT OF THIRD MEETING
(DOCUMENT E/PC/T/PV2/3)

On Pages 13 to 21, inclusive, the remarks made by the
RT. HON. WALTER NASH (NEW ZEALAND) should read as follows:-

Mr. Chairman, Gentlemen. New Zealand, the country for which I speak, measured in terms of population, is easily the smallest one represented at this Conference. No other country, however, has a proportionately greater interest in the success of this Conference than New Zealand, because, small though we are, we easily lead the world in volume of external trade per head of population. Few countries, if any, can claim a higher standard of living than ours. I believe New Zealanders are correct when they attribute this almost as much to the fact that over 40 per cent of their national production enters into international trade as they do to the wealth of their country's natural resources and the social consciousness of its people. Because of our resources, especially in the production of food stuffs and the great extent, comparatively speaking, to which our goods enter into the commerce of the world, we of New Zealand regard ourselves as responsible to the world for the full and wide use of these resources. We are of opinion that such responsibility must be a pre-condition to the maintenance of sovereignty. In effect we are all trustees of the areas of the world over which we exercise sovereignty. We see the world as a family of nations of which we desire to be a good member in the economic, social and cultural fields. More than that, from the standpoint of a country slightly larger in area than the

United Kingdom but with only one-twentyfifth of the United Kingdom's population, New Zealand regards its own security and living standards as being menaced by the insecurity and low living standards of the peoples of heavily populated but economically undeveloped countries. That menace, to our thinking, can only be avoided by the realisation generally of the objectives for which this conference is working - full employment and maximum production everywhere; maximum domestic and international trade, and political and cultural freedom to enable the greatest enjoyment of the fruits of economic co-operation. Willing, as we are, to examine all new methods to achieve the objectives of this Conference, we would like to make one reservation - that is, that the people of New Zealand, with the experience of the past, desire to maintain within their own sovereignty, their special trade relations with the United Kingdom. In so far, however, as these relations can justifiably be varied, with a view to improving world trade, New Zealand is willing to give consideration to any proposal to this end. However, it is not of New Zealand that I wish to speak this afternoon, but of the world. What I have said is intended only to interpret my country to the nations represented here, and by so doing give witness to New Zealand's sincere readiness to do all that is within her power to achieve worthwhile success here at Geneva. Yesterday we were privileged to hear from Delegates, especially Mr. Colban, the Chairman of the Drafting Committee, something of the success of the work done at London and later at Lake Success, and I here warmly endorse on behalf of my country the appreciative references of earlier speakers to the good work performed at both these places. The relationship of what we here achieve towards world peace and progress is so important, as we see it, that it will bear restatement. At the end of a terrible war, even more destructive of the means of life than of actual lives, we have established the United Nations Organisation to outlaw war and eradicate its causes. The Security Council is working to remove causes of armed conflict and the Economic and Social Council, in the work of its Fourth Session, in which we were privileged to participate, is trying to devise ways and means of

achieving the social objectives of the United Nations.

The two councils are one in purpose - the Security Council to avoid war; the Economic Council, to so organize the economic life of the countries that the world and all its people may enjoy life to the full in the best sense that that term can be used.

These objectives quite naturally are also those of the international trade organisation which we hope this conference will bring into being. Together, the organisations that I have mentioned, with the help of various specialised international agencies can and must create the conditions for the full development of the world economic resources, and hence of world production, as well as for the most equitable and efficient world distribution of that production.

Coming to the work of the conference itself, there are many aspects which arise. I shall enumerate the most important of these as I see them and the economic imperatives to which I think they give rise.

First, the conference is working towards a world economy, but the world in which we live is one of national, and very often rival, economies. Therefore we must take time to adjust the national economies to the world pattern and to do this in such a way as to protect the standard of living in some countries, and lift it greatly in many other countries. The world must proceed towards a more equalised living standard or perish.

Next, the objective of a multilateral system with the reduction and ultimate elimination of barriers to production and trade is rightly written into the Charter as a means of economising for the world as well as for individual nations the industrial skills and the resources of all countries. But we must not go so far as actually to identify the multilateral system and free trade with world full employment and universal steadily rising levels of effective demand. Accordingly, the adjustment of trade barriers and the establishment of charter principles must be, as we see it, only of importance so far as they result in the protection of national employment structures, and hence standards of living. In this connection New Zealand is of the opinion, and will submit for the consideration of the conference, that the policy of import selection by which she is patterning her production and consumption without limiting her total imports, can play a vital part in furthering the objectives of the International Trade Organisation, and at the same time protect New Zealand's

vital employment interests. Accordingly, we look forward to expanding trade and co-operation in all fields with all countries able to carry on trading relations with us inside that framework.

Next, the objective of the Charter wherein reference is made to the development of world resources and freedom of access to raw materials and markets must not remain mere articles of faith. Geneva will fail unless it recognises that in the absence of concrete agreements (agreements which are kept) to promote the development of undeveloped regions, and to place raw materials at the disposal of all countries equipped to process them efficiently, formal tariff agreements and acceptances of the Charter by themselves are almost worthless. The success of Geneva, which I believe will be achieved, depends especially in the field of trade very largely upon stable and equitable exchange relations between countries, and for this reason it is especially important that all nations should accept the principles of the International Monetary Fund to ensure that exchanges and exchange conditions are based on, and fairly reflect the value of their currencies. The International Trade Organisation cannot be successful by itself. There are aspects of world trade other than those purely connected with trade and employment. All the specialised international agencies plus the International Trade Organisation and the Security and the Economic and the Social Councils of the United Nations must work together as a going concern. First the Food and Agricultural Organisation must achieve international agreement upon the best means of developing and utilising world resources of land,

food, and raw materials.

Secondly the International Trade Organisation, as I see it must find the best world formula for the production and distribution of goods.

Thirdly, the International Monetary Fund must ensure exchange stability and the continuing availability of currencies with which to promote and finance world trade to the maximum.

Fourthly, the International Bank for Reconstruction and Development must really assist the countries with damaged economies to reconstruct and in particular assist in the development of under-developed areas. In no circumstances should it as we see it develop into a mere guarantor of safe and profitable investment of privately accumulated wealth.

If these four requirements can be really achieved the nations will have more than a shell of specialised organisations. Qualified only by the limit of world resources these organisations will provide a world security and prosperity guarantee fund, the currency of which is international co-operation and to which we should all contribute according to our pledges in Article 55 of the United Nations Charter.

The final aspect of the Conference's work which I shall mention, is that of the bearing on it of national sovereignty. There is agreement that we are seeking the best world combination of resources of men, materials and money in order to get the best solution to the question of world living standards. Inevitably in a world of national economies variously patterned and at varying stages of economic and political development there will arise conflict between world interests and what appear to be immediate national interests. There can be no question of creating an International Trade Organisation to subdue national sovereignties or to direct discrimination against countries merely because they do not see fit to join the organisation. In that respect, the remarks attributed to Senators Vandenberg and Millikin, the United States representatives of the Republican Party, go for all countries, that is - that they will willingly co-operate in the International Trade Organization so long as national interests are not menaced. I did not take that, Mr. Chairman, when reading it, as too great a qualification. All that I took that to mean was that the Republican and the Democratic parties of the United States would pull together to achieve the objective of this Organisation when it is established, but only to the extent that their own internal economy is not menaced by any action. They felt, as I saw it, that they would have to attach a qualification there, to ensure that the trade organization did not menace, or foster something which might be harmful to, the United

In particular, I think it is unfortunate that the Soviet Union which is such a great social and economic force is unrepresented at this Preparatory Conference. Plainly the International Trade Organisation cannot, if the Soviet Union remains outside of it, be as effective a world organization as when the Soviet Union comes in.

Before I conclude may I say a word in appreciation of the contribution to the work of this conference made by the United States. Here I heartily support all that was yesterday said by yourself, Mr. Chairman, as well as by Sir Stafford Crapps and Mr. Colban. The pertinacity with which our United States friends have continued to urge the Charter and all that it stands for has, I do not doubt, already been the means of carrying us past many difficulties which might easily have wrecked the preliminary stages of the International Trade Organization.

No one, I trust will regard it as an exhortation to the United States to bargain over tenaciously if I utter the hope that the same United States pertinacity will again be in evidence at this and other conferences until we are all satisfied that the best has been done with the available materials.

Finally there is nothing I can say which will too strongly express the desire of my government that this conference shall succeed by contributing richly to a world federation of free, self disciplined nations willing to abide by, and carry out, agreed upon rules for the conduct of world trade, and indeed all of the functions associated with free membership of the world family.

We cannot permanently continue the condition of disparity in living standards which has been brought about by the earlier start of some nations and races on the border of industrialisation, and by the application of science and inventions to the resources of the world.

We must, as I have previously stated, go along in this world towards a more equalised living standard for all people.

Mr. Chairman, sometimes during the conference many of us have been talking with regard to the road we ought to go, what we ought to do, what we ought to achieve, and when I say achievement, although associating myself with other delegates I have heard speak I thought of a story that appears in what we call the Old Testament. It is related to a man named David, a very able man in his day, but he had something to do with another man named Uriah and his wife; and that which he had to do with them was not at all to the credit of David; so someone went to him and told him the story in another way, describing in effect the relations that he had been guilty of in connection with Uriah and his wife; and then, in strong condemnatory language, David said what ought to be done to a man who would act as that man had done; and then Nathan turned round to him and said "Thou art the man". I sometimes think that when we are talking high ideals, describing the things that should be done and condemning conditions and action that are wrong, we should examine our own actions and policies so that we may not merit the charge that was justifiably levelled against David - "Thou art the man".