

required to be taken internationally and nationally in pursuance of this objective, it noted the fact that the initiative with regard to international policy lies with the United Nations at the present time, and that the achievement of freedom from want after the war can be realized only through the adoption by Governments, industry, and labour policies and measures which will effectively encourage the creation of an economic and social environment conducive to a progressive and expanding economy.

It is not proposed in this report to review fully the numerous policy recommendations made. Comment will be confined to those points which are of more immediate and general interest from the point of view of present international arrangements or of direct and special interest from the point of view of New Zealand policies and problems.

In the first place, the resolution urges the continued operation by the Governments of the United Nations, for as long as any serious shortages may exist, of the existing machinery of international co-ordination and control, subject to such modifications as may contribute to its efficient operation in the transition from war to peace. More specifically, all States concerned are urged to co-operate actively with the United Nations Relief and Rehabilitation Administration and to give their full support to the early establishment of a permanent organization as recommended by the Conference on Food and Agriculture held in May, 1943. The establishment at the earliest possible moment of effective international machinery for settling balances arising out of international trade and other transactions, for maintaining stability in rates of exchange, and for promoting the international movement of capital is similarly endorsed.

In the sphere of international commercial policy it is urged that the United Nations should examine wartime changes in industrial capacity, arrange for exchange of information on post-war industrial programmes, and take vigorous action to promote the extension of international trade by appropriate commercial policies. Such policies, it is suggested, should be adopted by creditor as well as debtor countries in a manner that will enable them to settle all obligations arising out of international transactions. The final text of this portion of the resolution was accepted by the Committee in preference to that submitted by the Office, which urged vigorous action to promote the expansion of international trade by the elimination of all forms of discriminatory treatment and the reduction of tariffs and other trade barriers. With reference to the recommendation that the United Nations should initiate measures to facilitate the co-ordination through appropriate international machinery of the commercial policies of all countries for the purpose of promoting a steady expansion of world trade on a multilateral basis, it was understood by the Committee that, since the objective of promoting multilateral trade can be facilitated by appropriate types of bilateral agreements, the endorsement of the multilateral principle was not intended to imply any condemnation of bilateral arrangements.

A point of some significance for New Zealand is the suggestion that any such arrangements should take special account of the necessity, with which countries highly dependent on returns from exports are faced, of taking measures to ensure a high degree of stability in the level of their economic activity, and that, furthermore, special account should be taken also of the dislocation and the accumulated needs resulting from the devastation caused by war operations and from the prolonged diversion from peacetime production in countries which have been engaged for a long period in a sustained and total war effort.

Among the specific recommendations put forward under the heading of international policy, two further points call for comment. First, stress is laid on the necessity of ensuring more stable and adequate incomes to those primary producers whose services are needed for the production of essential war materials and foodstuffs. To this end it is recommended that the United Nations should initiate concerted action to ensure the constant availability to all purchasers of adequate supplies of such commodities at prices which give a reasonable return to the efficient producer and are kept sufficiently stable to afford protection against major short-term fluctuations in supply or demand. The significance of this recommendation for a country such as New Zealand does not require stressing.

Secondly, and this is likewise very directly related to problems with which New Zealand is likely to be confronted acutely in the post-war years, it is recommended that the United Nations should encourage the orderly migration of workers and of settlers in accordance with the economic needs and social conditions prevailing in the various countries and with adequate safeguards for all concerned. In this connection the Governing Body was instructed "to bring before an early session of the Conference a report of a representative commission on the means necessary to protect the interests of labour, on the one hand, against barriers which prevent migration from areas of limited resources, and, on the other hand, against the lowering of labour standards that might result from immigration at a rate exceeding the capacity of the receiving countries to absorb immigrants."

Under the heading of national policy, three points are deserving of special notice. In the first place it was agreed that, so long as shortages exist, such war-created economic controls as are necessary to prevent inflation should be retained and relaxed as rapidly thereafter as is consistent with the public welfare. Secondly, it was recommended that national tax systems should be adjusted "to encourage rapid reconversion, reconstruction, and economic expansion, whilst maintaining an equitable distribution of tax burdens and avoiding financial measures which tend to increase the dangers of inflation or deflation." Thirdly, it was urged that economic reconstruction programmes should provide for fiscal, monetary, and other measures, including useful public works, designed to sustain the volume of demand for goods and services at a high level while avoiding the dangers of an inflationary spiral of prices and wages.

Both in the Committee discussions and in the terms of the resolution finally adopted it was fully recognized that national post-war programmes must be adapted to meet the needs of a particular country and that the economic situation among the various United Nations at the war's end will differ markedly, varying particularly with the degree and type of industrial development, the extent to which the peacetime economy has been disrupted, and whether the country's territory has been occupied by the enemy. The recommendations made, therefore, so far as economic policies are concerned, are expressed in very general terms and confined to the most part to broad principles and general objectives that take account of these important differences.

The sub-committee in its report noted the fact that, despite the excellence of the documentation furnished by the Office, more intensive preparatory work in the social implications of economic policy will be necessary in the future to enable the Organization to discharge its responsibilities under the Declaration of Philadelphia.