

are to be multilateralized—that is, they are to extend equally to all countries which join the proposed international trade organization. The second and more important phase of the talks is concerned with the drawing-up of an international employment and trade charter; the establishment of an International Trade Organization to administer the Charter, and the conclusion of an interim multilateral international trade agreement between the nations represented at Geneva embodying the negotiated tariff concessions and the principal obligations of the Charter. This agreement is to be signed by the interested nations pending the World Conference, at which it is hoped to adopt the Charter in its final form.

In the first phase, participating countries are endeavouring to drive the best bargain that they can, and, even in the case of the second and more fundamental phase, it would not be incorrect to say that each country is most watchful of its national interests. This is, after all, natural; but in respect of both phases, and especially the second, it is true to say that countries are honestly trying to find a way to realize the objectives of United Nations while at the same time protecting their own positions.

There can be no doubt that there is widespread appreciation of the imperative necessity to make the experiment in a world order succeed. As far as New Zealand is concerned, she has in all international fields clearly and forthrightly taken her stand in support of this policy; and while there are, and must always be, respects in which she feels called upon to criticize, the intention is to adhere to this policy.

INTER-WAR NATIONALISM

At its best the urge towards a world economic order springs from recognition of the heavy cost of the economic nationalism which spread from 1919 to 1939. In this period, and especially in the "thirties," countries, in an endeavour to protect their economies from adverse, externally promoted effects, erected trade barriers against one another and managed their currencies after the abandonment of the gold standard with the same quite understandable purpose. The effect of this was to split up the production and trading system into a number of systems in which countries endeavoured to maintain living standards by measures aimed at making themselves progressively more self-contained, irrespective of the cost to the economies of other countries—and to their own.

Of necessity, this destroyed much of the international specialization which is as valuable to world trade and living standards as division of labour is to production and living standards in a single economy. In place of this specialization the policies of countries and groups of countries were aimed at building up their individual