

do not interfere with that right, of determining in respect of its internal currency the relation thereof to gold and to external currencies. On present indications it is not desirable to adopt a gold standard until sterling is stabilized in relation to gold, and until this takes place no action is likely to be taken by this country in respect of these resolutions of the Conference.

ECONOMIC COMMISSION.

Four groups of problems were listed for consideration by the Economic Commission :—

- (1) Commercial policy, including Customs tariffs and other direct barriers to trade.
- (2) The co-ordination of production and marketing.
- (3) Subsidies and indirect methods of protection.
- (4) Public works.

The first three of these were referred to Sub-Commissions and were discussed in detail, particular attention being paid to problems and proposals relating to "co-ordination of production and marketing." These are of especial concern to New Zealand, since they involve issues closely akin to those raised by the quota or the quantitative regulation of exports. For this reason the proceedings of the Conference in relation to the second group of problems listed above will be referred to in comparative detail.

(1) *Commercial Policy.*

Prior to the commencement of the Conference the United States took the initiative in proposing a tariff truce by the terms of which, it was suggested, Governments should agree that, during the proceedings of the Conference, they would not adopt any new measures which might increase the difficulties affecting international trade. Sixty-one States, representing nearly 90 per cent. of the trade of the world, acceded to the truce, New Zealand being included amongst the adherents.

In discussions it was generally emphasized, without difference of opinion, that a lowering of excessive tariffs is essential to the recovery of world trade. But it must be recorded that no progress was made towards the attainment of the desired end. During the latter part of the Conference, when the impossibility of reaching agreement on currency stabilization had been revealed, this served as a reason for inaction with respect to Customs tariffs. It was then contended that, in the absence of such stabilization, States could not contemplate any effective revision of their protective tariffs or any lessening of other barriers to trade.

However, the divergence of views on currency stabilization cannot properly be regarded as an explanation of the failure seriously to examine the possibilities of removing trade-barriers. Apart altogether from that other issue, there was little or no evidence of any disposition to remove the barriers which were so generally conceded to be an exasperating influence in the depression. Indeed, the very seriousness of the depression clearly intensified the anxiety of countries to safeguard their own production, by maintaining the embargoes, quotas, tariffs, and other restrictions that at present impede trade and hamper general recovery.

It was the contention of several importing countries, too, that the lowering of their protective tariffs and the relaxing of their quotas should be preceded by measures on the part of producing and exporting countries to regulate the volume of their exports. Whatever may be said in reference to proposals of this character, their general effect must obviously be in the direction of substituting one type of control for another, rather than of restoring freedom of trade.

(2) *Co-ordination of Production and Marketing.*

The Conference as a whole, and the Commission and Sub-Commissions that dealt with the various economic subjects, were notable for the increasing attention paid, as the Conference developed, to the co-ordination of production and marketing in agricultural foodstuffs and raw materials. This problem at first occupied a comparatively minor place in the agenda. It came, however, into a position of first