

debts arising out of the war, will be exhausted this year and much earlier than she can possibly complete the unprecedented task of reconstruction before her. Consequently, the economic position of Great Britain is very serious.

International Co-operation

Furthermore, as international trade is so vitally necessary to Great Britain, her welfare is interlocked to a considerable extent with that of other countries, and particularly those in Europe. Notwithstanding her straitened circumstances, Great Britain has already expended huge sums in assisting to feed and restore Germany and other countries. Germany and also Japan will continue to be a big strain on the economies of Allied countries until they become self-supporting. France, too, is unable to take her rightful place in international commerce until her economic and political position has been restored and stabilized.

Under what is generally referred to as the "Marshall Plan," great hopes are raised by the offer of the United States to give powerful assistance to an organized and co-ordinated reconstruction effort. The success of the plan would indirectly, if not directly, benefit Great Britain, but it is clear that help in this way cannot be expected in time to avoid the imposition of further austerity before the exhaustion of the United States and Canadian loans. In fact, the problems of all countries are accentuated by a dollar shortage which threatens to reduce trade with the United States and Canada drastically and thereby deprive the rest of the world of the invaluable assistance that otherwise could come from the huge productive resources of these countries.

These, briefly, are the outstanding factors in the present economies of world affairs. All nations are interdependent economically, and, as was stated at the 1944 International Labour Organization Conference in Philadelphia, "poverty anywhere constitutes a danger to prosperity everywhere." In our case it is certain that New Zealand cannot hope to be prosperous for long if the principal buyer of her exports is impoverished.

Whilst our attachment to Great Britain has stronger bonds than material self-interest, it is true to say that our material interests also are bound up with our people in the Homeland. Trade within the British Commonwealth as well as international co-operation is essential to the rehabilitation of a war-shattered world.

The reduction of barriers to international trade is a major objective in the solution of the world's economic problems, and the importance of co-operation in this direction is recognized by the eighteen nations at present meeting at Geneva under the auspices of the Economic and Social Council of the United Nations to prepare a draft charter for an International Trade Organization.