

industries, primary and secondary, irrespective of the economic cost, with the result that international trade became more and more concentrated on raw materials as distinct from foodstuffs and secondary commodities, which all were trying to produce for themselves. The volume of international trade contracted alarmingly, and almost every one became poorer. This deepening poverty, associated with rearmament and increasing competition for raw materials, had much to do with the outbreak of war.

## NEW INITIATIVES

The nations have recognized this war dynamic, and the international conferences of the last three years have been largely concerned to create a world in which it will have no place. The Conferences at Dumbarton Oaks and San Francisco were concerned with the establishment of an organizational framework for international co-operation in all fields, and they pointed the shape of the whole United Nations structure. The earlier Hot Springs Food and Agriculture Conference was concerned with so ordering the food resources of the world as to guarantee standards of high nutrition for all, and the Conferences of the Food and Agricultural Organization since held have worked along the line that world production and world needs must be matched, regardless of problems of effective demand. The International Monetary Fund was a move to provide universal, stable, and freely convertible, currencies which would facilitate the free international flow of goods and services. Finally, the development of the International Trade Charter and the International Trade Organization is designed to complete in the physical field the removal of obstacles to the full utilization of material and human productive resources and the maximum exchange of goods and services.

## OPPOSING PHILOSOPHIES

There is agreement upon the objective of world plenty, but there are opposing views as to how it is to be attained. These views, which are not always clearly, and rarely completely, expressed, can for convenience be simplified into two fundamental and opposite philosophies, both of which receive some recognition in the draft International Trade Charter.

The free-market philosophy is the first one. It pervades and dominates the Charter. A summary of it would show that both nationally and internationally the free play of market forces—of supply and demand—is affirmed to be the best means of so combining productive resources and so distributing the fruits of that combination as to solve the problem of national and world plenty. Accordingly, the draft affirms that interference with market