The report presented by the experts under the chairmanship of Professor Haberler deserves all the praise it has received from the speakers who have preceded me. The authors' deep concern for impartiality and scientific truth has led them to draw a striking picture of the complexity of the problems raised by international trade in agricultural and other commodities.

A perusal of the document suggests that the studies will have to be continued, though not for the purpose of establishing more accurately the basic facts, as they exist today. That part of the work has been done well and there would scarcely be anything useful to add.

It is the conclusions and recommendations which must be reviewed, re-weighed and probably improved. There is one conclusion, right at the end of paragraph 64, which might serve as a starting point for the closer analysis which we feel obliged to suggest.

When the experts tell us that "further progress depends upon the willingness of the industrial and the non-industrial countries to negotiate on a wide range of their economic and financial policies", they are making an appeal to us. They are asking, in fact, that we should extend to other fields the procedure which has given very good results when applied to customs tariffs. That is a recommendation which we can neither reject nor ignore. We must examine it with the interest and attention it deserves.

This immediately leads us to ask what could be the object of useful negotiations and above all, what purposes should they seek to achieve?

Some countries maintain that so far as they are concerned, the Agreement is unbalanced, the benefits they derive from it being insignificant compared with the obligations they assume. Such complaints do not surprise us, for we in Belgium have long had the same feeling. Have we not often had occasion to say that in our opinion the countries which had, let us say, the good fortune of being able to practise a policy of balancing their external payments had to pay for that good fortune by the discrimination exercised against them - in all fairness, I agree - by the partners who were in a position to invoke the balance-of-payments provisions of the Agreement?

Are not the disappointments experienced by the agricultural countries in the European markets very similar, to take one example out of many, to the trials and tribulations of the industrial countries' textile industries? These industries have witnessed the loss, one by one, of their traditional overseas
markets owing to the development of local industries established under cover of all kinds of measures of protection and support. What did we have to tell the industrialists whose enterprise was thus stricken? We had to tell them to adapt themselves, to exploit the remaining markets in depth, to seek new consumers in the domestic market, to turn their attention to new products, to concentrate on specialities and, in extreme cases, to shift to other industries. And that is not an easy thing to do, because neither plant nor men, workers nor employers, can be converted to new work overnight. Such conversion requires time and capital, two items which undertakings on their last legs have great difficulty in finding.

All this leads us to the conclusion that, in our joint efforts to find solutions for the problems arising, we should not think in terms of perpetuating a given situation, or even in terms of going back to previous situations which in retrospect seem satisfactory.

Instead we must look to the future. Paragraph 10 of the report says so by implication when it summarizes the differing developments of exports of various categories of commodities from 1928 to 1955.

It is idle to blame the industrial countries for the consequences of raising agricultural productivity. Increased productivity is an aim universally pursued, both in industry and in agriculture, for it raises the value of human labour and leads to higher standards of living. That it is sometimes achieved at the cost of painful consequences is undeniable, but the remedy lies not in the rejection of progress, but in jointly directed efforts.

Similarly, we consider it unjust to say that certain types of agricultural production are necessarily unsound because to start with they were instituted or expanded by government action. It is the continuation of artificial supports that would be unhealthy, and it is quite normal for these activities to become useful stabilizing elements in a country's economic and social life through the improvement of the conditions of production during the allotted period of development.

Developing countries would likewise refuse to accept judgments which criticized their industrialization projects on the grounds that they systematically excluded competing products and that new industries were not very profitable at the start.

Our efforts should therefore be directed, not towards the restoration of former situations, but towards the creation, by joint action, of new opportunities for expansion.

This means that it would be wrong to try and stabilize the incomes of individual producers of particular products. Such attempts might lead to the artificial perpetuation of types of production that are inefficient or have become obsolete on account of economic changes.
The aim should be to ensure the relative stability of the different countries' foreign exchange earnings by arranging for periods of transition and conversion to profitable new activities in line with new requirements.

Above all, an effort must be made to raise the standard of living in the developing countries. In that connexion, we do not think it is to those countries' advantage to sell the products of cheap labour at excessively low prices. Such sales usually profit the middlemen, not the final consumer. It would be much more to everyone's advantage if, while healthy competition was preserved in the sphere of prices, the benefits of very low production costs should accrue to the exporting country. Under suitable agreements, the industrial countries would be enabled to withstand a competition which was stimulating rather than destructive, and the developing countries would derive from their exports of simple industrial products resources which they could use for their general development or for the welfare of their inhabitants.

Such, Mr. Chairman, are the general lines along which we think the study undertaken by the panel of experts might profitably be continued.