Memorandum by Australian Delegation

The Australian Delegation feels that consideration should be given to re-casting the provisions of Article I of the United States Draft Charter which cover the Purposes of the International Trade Organization, with a view to stressing the following three points:

1. that the Charter of ITO proceeds directly from the United Nations Charter and that the object of the organization is to carry out the provisions of Article 55 of the United Nations Charter in the field of international trade.

2. that the positive objectives of ITO in expanding the volume of world trade by increasing effective demand are at least as important as the more negative aims of removing trade barriers, and that success in the latter depends on success in the former, rather than vice versa.

3. the need for avoiding the violent fluctuations which have characterized international trade in the past. It is thought that this is an important objective in itself.

In order to focus attention on these points the following paragraphs are suggested in place of the present Article 1. No importance is attached to the particular form of wording, provided the foregoing points are covered...

"Article 1 of United States Draft Charter - Purposes

The purposes of the organization shall be:

1. to promote the objectives of Article 55, paragraphs (a) and (b), of the United Nations Charter, as far as they concern international trade.
2. to promote an expanding world economy, through measures designed to increase progressively the effective international demand for an exchange of the goods and services of all members on a mutually advantageous basis. By this means, members will be enabled to raise their standards of living and avoid recourse to measures destructive of world commerce.

3. to foster conditions of economic stability by action designed to prevent excessive fluctuations in the volume and value of international trade, and in the terms on which it is conducted.

4. to encourage and assist the industrial and general economic development of member countries, particularly of those still in the early stages of industrial development.

5. to promote the reduction of tariffs and other trade barriers, the elimination of discriminatory treatment in international commerce, and the solution of problems in the field of international commercial policies and relations, through consultation and collaboration among members.