SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE
UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT.

VERBATIM REPORT

SEVENTEENTH MEETING IN EXECUTIVE SESSION
HELD ON WEDNESDAY, 18 JUNE 1947, AT 2.30 P.M. IN THE
PALAIS DES NATIONS, GENEVA

Mr. MAX SUETENS (Chairman) (Belgium)

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CHAIRMAN: (Interpretation): The Meeting is called to order.

We are here today to discuss a statement made by the Delegation of Belgium-Luxembourg on 9th June and circulated as Document E/PC/T/90 of 10th June. I declare the discussion open. The first speaker on my list is the Delegate for the Netherlands.

Mr. L. GOTZEN (Netherlands): As has already been explained by Mr. Speekenbrink during our previous meeting on this question, although in several respects the position of the Belgian-Luxembourg Economic Union on the one hand and the Netherlands on the other is different, and we, therefore, cannot underline all comments made by Mr. Forthomme, the Netherlands Delegation in a general way share the grave feeling of uneasiness of our Belgian friends with regard to the trend of the discussions on certain matters, a trend to weaken the principles for which the Charter stands, that is, greater freedom and expansion of international trade.

This feeling of uneasiness has been caused by the proposing of various amendments on the Charter, as it has been drafted in London and afterwards at Lake Success, amendments aiming at the confirmation of certain privileges and even at the creation of new privileges. In this respect I may recall to mind the amendment on Article 14, Paragraph 4 with regard to internal taxes, the proposed deletion of the first paragraph of Article 15 and the Australian amendment on Article 24, Paragraph 1(b).
In connection with this last amendment I should like to remind you, Mr. Chairman, of the speech of our distinguished Australian colleague on the substance of Article 24 and especially of sub-paragraphs (b) and (c).

As regards the latter, Dr. Coombs said, according to the revised text, *inter alia*:

"Rule (c) is not of such importance from that point of view, because I believe that the negotiating parties can be trusted to take only such notice of the Rule as it is entitled to. Consequently, we do not propose to worry very much about the inclusion of (c). As a statement of a general point of view we are not opposed to it, in fact, we favour it; and therefore we are content to let it go, although we do think it is superfluous."

Mr. Chairman, the Netherlands Delegation do definitely not think that this sub-paragraph is superfluous. In the text, as it now stands, it is said that: "The binding or consolidation of low tariffs or of tariff-free treatment shall in principle be recognized as a concession equivalent in value to the substantial reduction of high tariffs or the elimination of tariff preferences."

I want to stress the fact that we have come to Geneva on the understanding that the very considerable offer we made when we agreed to the clauses on quantitative restrictions would be counterbalanced by substantial reductions on tariffs and margins of preference, even in those cases where we, as a low-tariff-country, could not dream of offering equivalent reductions.
This, Mr. Chairman, is why for us the agreed principle of Article 24(c) has been one of the pillars of the Court.

Of course Dr. Co-... is right when he stated that it is the task of the negotiators to give effect to this clause, but having had only quantitative restrictions at our disposal as a means to negotiate tariff reductions, we cannot be expected to sacrifice that bargaining power if it is not clearly and very definitely agreed that the negotiators shall take that into account and not carry on the negotiations on the basis of equivalent reductions of tariffs only.

Moreover, if we offer to world trade an entirely open market, or a practically open market as the case may be, we may bind ourselves to continue doing so or we may offer a small reduction of small tariffs, but the fact that we have not the means to offer big reductions of big rates should certainly not work out to our disadvantage. We are for these reasons willing to await the results of the negotiations but if they are not satisfactory from the point of view I have just mentioned and, therefore, not in accordance with the multilateral principle underlying these negotiations, we shall have to reconsider our position.

Moreover, Mr. Chairman, the Netherlands Delegation are of the opinion that augmentations of tariffs, the imposing of new quarantine regulations and other matters we learnt about during the last months, would be in contradiction to the recommendations made by the Preparatory Committee in Annexure 10 to the London Report and especially to the paragraph dealing with the "avoidance of new tariff or other restrictive measures", confirmed in some cases in formal agreements between certain members of this Conference not to take any
new measure affecting international trade pending the discussions and negotiations on the Charter and the tariff agreement.

Of course we have to await the reports of the different sub-committees which are now studying the various amendments and the result of the discussion in the Preparatory Committee afterwards, but the Netherlands Delegation think it might in the meantime be useful to explain their view on these matters, which are of great importance for the economic policy of the Netherlands.
Dr. H.C. Coombs (Australia): Mr. Chairman, I think we have some cause to be grateful to the Belgian Delegation for providing us with this opportunity to look back over our work as a whole. There is a danger when we are concentrating from day to day on particular parts of the Charter that we find ourselves drifting almost imperceptibly into a position where we partially read the Charter and make judgments on that partial reading.

Before going on to deal with what appears to me to be the partial reading of the Charter by the Belgian delegate, I want to refer to one or two specific matters which to some extent may have precipitated this review.

The first is some remarks which I made in relation to Article 84 (c), particularly in relation to the value to be attached to the binding of low rates of duty. What I said at that time was that it was not practicable to lay down in advance a rule which would enable negotiators to assess the value of the binding of a low rate of duty in advance; that that value could be assessed only in relation to a particular binding and that it would vary according to the commodity being bound and the circumstances in which the binding took place. I think the very example quoted in particular by the delegate from the Netherlands demonstrates, perhaps with a slightly different emphasis from what I have in mind, but nevertheless demonstrates, the truth of what I said. He drew attention to one particular type of case, a case in which the binding of a low rate of duty was taking place where quantitative restrictions had previously been operative and were no longer to be operative. Now let me say quite definitely that, so far as the Australian delegation is concerned, we would agree, without qualification, that the binding of a low rate of duty in circumstances whereas in the past
quantitative restrictions were operative and in the future were no longer to be operative, that the bidding of that low rate of duty did in fact carry a high negotiating value, and we would be prepared, I trust, to accept that, not merely in principle as in Article 24 (e), but in practice in negotiations.

The second point that I feel it is important to correct is the impression created by certain parts of the statement relating to agreements covering primary products which by past experience have been demonstrated to be the subject of instability in primary products - the impression created that the pursuit of stability in the prices of those primary products is in the interests of primary producing countries only.

Two comments we have on that:

The first is that we believe that stability in the price of the major primary products entering into world trade is not merely in the interests of the countries which produce them but profoundly in the interests of the countries which buy them and, to be sure that the nature of the agreement is such as to guarantee that, we have not only agreed to, but advocated strongly, the equal representation of importing and exporting countries on the bodies which produce these plans and the bodies which administer them.

The position is therefore that if any proposed agreement is not such that it is in the interests of consuming countries as well as in the interests of the producing countries, then there is no agreement.
So far as the other points which I wish to refer to are concerned, I think they can perhaps be best dealt with in the general comments which I wish to make. As I said, there is a danger that we will fall into the habit of looking at a part of the Charter, and the easiest mistake of that kind, is, I think, to concentrate your attention either on the general rules, if they happen to be general rules that seem a bit restrictive to you, or to the exceptions, if they appear to be exceptions to a rule which you like. It is necessary to look at both, and, furthermore, to consider the nature of the circumstances in which the exceptions become operative.

There are two reasons why it has become necessary to amplify and modify the general rules embodied in the Charter. The first is that we are dealing with a world in which there are a variety of types of economy, a number of countries organized on varying political and economic philosophies, and it is our purpose not to compel countries to adopt different economic and political philosophies but to make it possible for them to live together with mutual advantage.

The second reason is that it has been recognized that, in the light of our past experience, we cannot confidently expect that we will never again face serious world-wide economic difficulties and that we must, therefore, in laying down any general rule, contemplate the possibility that that rule may be operative in conditions so difficult that its observance becomes a technical impossibility.

It is in relation to the latter kind that I want to emphasize the importance of realizing, when we look at an exception, that it is an exception designed to deal with a particular type of problem, and that if that problem does not arise then the exception is no
longer significant, because there are a variety of types of problems which the world has had to encounter in the past, we have had to make a great number of exceptions and modifications of rules in order to assure people that if those problems do arise in the future they will not have their hands tied behind their backs that.

That does not mean that we anticipate/those problems will arise, but merely that it is essential that we should ensure against the possibility.

I think we come to look at the Charter as a whole in the light of those two sets of circumstances. Firstly, that we are dealing with a world which is not uniform, and secondly, in a world in which nobody can feel any absolute confidence about the future, and the qualifications attachable to our various general rules, there must be recognition of the need to be realistic, and recognition that only if we are realistic can countries accept the type of obligations we are inviting them to accept.

In the Belgian delegate's statement, he summarises the attitude of his delegation in a statement of certain conditions which he believes the Charter, as an instrument of the International Trade Organization, should observe. I find myself with a very profound sympathy towards the statement of those principles, but I am conscious, none the less, that there is in my mind a somewhat different emphasis on the meaning of certain of the words there which perhaps it would be as well to bring into the open.

The first condition stated was that "the original spirit of freedom should pervade the whole document". Now, the idea of freedom is something which runs through the whole of the civilization of which we are all, in one/or another, a part. But I should like to draw the attention of the delegates to the fact that there are, in the philosophy of freedom which has grown up in
what we might call Western Civilization, which has run a long way beyond the West, two strains. The first is the concept of freedom as the absence of restraint, and that is an important and significant concept of the idea of freedom, but it is not the only concept. The other, and equally significant is the concept of freedom as opportunity. It is not sufficient that a person should merely be free from restraint, freedom is a mockery if it does not provide positive opportunity, and the recognition of that runs through the political lives of all the countries represented here. Again and again action is taken not for the purpose merely of removing restraints, but of making freedom mean positive opportunity.

No one here would suggest that it was an adequate answer to the problem of providing freedom for education to say that a person was free to go to a school if he could find a school and if he could pay to go there. In every country of the world the movement has been in the direction of providing schools, teachers, and facilities free, and unless that is done, opportunity is not, in fact, provided.

I give that as an illustration because I think it is profoundly important that we, in the field of international trade, should recognise that if we are concerned with freedom it is not sufficient merely to lift restraints. We must see that positive opportunity exists, and that sometimes may mean positive action. It is in recognition of that principle that we, for our part, have worked for the inclusion in the Charter of measures now embodied in Chapters III, IV and VII in particular, which are designed not merely to lift restraints, but to create positive opportunity.

The Belgian delegate went on to say "The striving towards ever freer trade should be strongly stressed". We would agree with
that provided that the conditions are such that free trade can confidently be expected to lead to a fuller and better use of the world resources. We have said here again and again that unless the world's resources are, generally speaking, fully employed, you do not know whether freer trade, in the sense of the lifting of trade barriers will in fact lead to a better use of the world's resources, and that, after all, is the purpose of what we are seeking here.

Therefore, we would say two things. First create the conditions in which freer trade will produce those results and then, or at the same time, press on with the freeing of international trade from the restraints which hold it back.
I think a recognition of the sort of plans which I have made are embodied in the third and fourth principles advanced by the Belgian Delegate. He states that the "sacrifices of each Member should be real and proportionate to their economic power and to the special privileges they enjoy. "That is not mechanical equality; it is an adjustment of obligations - the power to carry out those obligations - and of privileges. Similarly, he says in the next principle"A measure of equality should be established in the means of action and defence available to each Member."

Now means of action and defence do not exist in vacuo. They are means of action to deal with problems and defence against dangers, and it is clear that equality in any real sense can exist only if the means of action and defence are appropriate to the problems with which they are to deal, and the dangers to which the country needing them is exposed.

That again refers back to the point I made earlier, that we have in our work on the Charter sought to incorporate in the Charter the means of action and defence adjusted so that they are available to Members in proportion to their need; and we would profoundly regret any interpretation of equality in the text as meaning mechanical equality between the weak and the strong, the rich and the poor. All of us are familiar with Anatole France's comment about the law and its majestic equality forbidding both the rich and the poor to sleep under the bridges.

In his final principle, the Delegate for Belgium says that "general prosperity should be sought by orderly and balanced development of all parts of the world, with equal profit to all." Now here, I believe, he has placed his finger upon the thing which can resolve many of the difficulties which he fears. Do not let us pretend that there are not fundamental differences of interest
between the different countries represented here. There are. If nothing else is happening, the growth of new industries in under-developed countries may be to the detriment of countries where those industries have been established in the past. Growth of trade on the part of one country may be at the expense of another; but that is not necessarily true. Conditions which prevent it are conditions in which the resources of the world are fully employed and where the potential resources of the world are in progressive development.

If we can maintain and fully employ an expanding world economy, then many of the apparent conflicts are resolved in the common interest and maintenance of those conditions, and it does become possible for orderly and balanced development to take place. If it is with completely equal profit to all parts of the world, then at least without conflict, without loss, with a greater growth towards equality of opportunity for different parts of the world.

In other words, Mr. Chairman, it seems to me that the Charter on which we are working can either be a banner of hope for the world, or it can be a set of chains. Which it is depends upon the spirit with which it is approached, and the genuineness with which the individual Member countries pursue their obligations under it. If those obligations are interpreted in a way which primarily seeks to establish within the country concerned conditions in which the purposes of the Charter can be achieved freely, if obligations are fulfilled and an honest attempt to take into account the circumstances of other countries is made - then I believe there is real reason to hope.

On the other hand, if we take a sectional interpretation of the Charter and try and regard it as a legal document from which we will extract particular clauses according to the circumstances of
the moment, then there is equally a danger that we will find ourselves bound with its chains.

It has been my intention, Mr. Chairman, to try and reassure the Delegate for Belgium that we recognise that the type of economy which he represents has its special problems, but it equally has its place in the world which we hope the Charter will build; that is is a place which is not merely an honourable place but one which gives hope for the future; but that, equally, it is necessary for the Charter to recognise other types of economies with different types of problems and different sets of hopes.

I am not without confidence, Mr. Chairman, that the Charter in its present form, or the form to which we are moulding it, is capable of doing that.
Mr. L.D. WILGESS (Canada): Mr. Chairman, we also are gratified at the opportunity to review the work of the Preparatory Committee at this stage, which has been afforded by the statement delivered the other day by Mr. Fortomme on behalf of the delegation representing the Belgian/Luxembourg Economic Union. This statement was an excellent summary of the developments which have the possibility of endangering our work as a Preparatory Committee. It was expressed in concise though arresting terms, since it expresses the views of a delegation which, throughout our discussions, has played a constructive and important role. It is deserving of the most thorough examination.

The Canadian delegation has given the Belgian statement very careful study, and I am bound to say that we share their apprehensions. We have always realised that the Charter for an International Trade Organization would have to be a compromise between differing forms of economic organization, differing social policies, and between the circumstances of the more highly developed and less developed countries. We are therefore in accord with much that Dr. Coombs has just said. We have felt, however, that at London a workable compromise was achieved. We are prepared to accept that compromise. Like the Belgians, we had every reason to expect that at Geneva the work of the Preparatory Committee at its Second Session, would be to refine and make more perfect the Charter that emerged from London, but not to effect radical alterations of substance. We regret that our expectations in that respect are not being fulfilled.

The work of the Preparatory Committee for the preparation of a Draft Charter is now nearing completion. We are in a position to anticipate the nature of the final results. We have endeavoured to assess these results in relation to our position and in relation to
the general interest of all. Let me indicate by a few
illustrations which of the matters are causing us particular concern.

I wish first of all, to examine the position of agricultural
exports under the proposed Charter. These exports have always held
a vital place in our economy and in our international trade. The
Draft Charter, as it emerged from the London meeting, and as it is
being further elaborated upon here, would for all practical purposes
accomplish very little for farm products in removing the arbitrary
barriers to trade which have been so harmful to us in the past. The
many escape clauses which have been inserted into the Charter, both
specifically and indirectly, for agriculture, constitute a menacing
loophole for the continuation of extreme agricultural protectionism.
We cannot resist the feeling that an unjustifiable and invidious
distinction is being proposed in the treatment of agricultural and
other exports.

Turning to a more general matter, I should like to state our
impression of the direction in which our discussions are moving in
regard to one of the central purposes of the Charter, namely the
removal of the prohibitive and quantitative restrictions to trade.
The proposed rules for the limitation of these restrictions have
necessarily included appropriate exceptions.
However, here at Geneva we have been confronted with a great number of proposals which in one way or another would introduce further important exceptions into almost every part of the Charter. Unless we can agree in our common interest to limit these exceptions to the essential and justifiable minimum, only the barest shred of the general rule will remain. In the past, except as a war-time measure, Canada has not employed quantitative restrictions to any significant extent. We hope that the conditions of world trade following our work here will not force us to use them in the future. Unless the Charter which we are now drafting will be really effective in clearing the channels of trade of arbitrary obstacles, the particular difficulties which we face will be greatly intensified.

The Belgian Delegation has mentioned the special position of countries making extensive use of the method of State trading. We agree that suitable provision must be made for this method of trading. We are disturbed, however, by the nature of some of the amendments which have been put forward at Geneva for the treatment of this problem. If certain of these amendments are adopted it would indeed place the State trading countries in an advantageous position. In our opinion, it is of the highest importance that the Charter should establish an equitable relationship in the field of international trade between the differing forms of economic organization. The balance should not be tilted in a particular direction on the ground of administrative convenience or for any other reason.

We have never been happy about the articles of the Charter which are intended to remove the harmful effects of State
subsidies upon international trade. To us it appears that these Articles are more noteworthy for the escape clauses which they contain than for the principles which they enunciate. They can have relatively little effect. For a country such as ours, which is dependent upon the export of such a large proportion of its total production, this is a matter of particular concern.

One of the most difficult problems which the Preparatory Committee has had to face is that of harmonizing the differing positions of the more highly developed and the less developed countries. We have always been sympathetic to the desires of the less developed countries to promote the development of their economies. We regard the rapid achievement of this objective as an essential part of the process for the general improvement of standards of living and the expansion of trade. We have been prepared to envisage such exceptions from the general rules which might be legitimate and helpful to that end. We have been disappointed, however, at the great emphasis that has been placed upon purely protective devices for the promotion of development. In the first place, we feel that this is entirely unrealistic from the standpoint of the under-developed countries themselves. Secondly, if the wishes in those respects are met it is clearly impossible to achieve any fruitful results from our discussions here.

The Belgian statement has referred to the preferential arrangements between certain groups of countries. Canada has always been prepared to consider the reduction or elimination of preferences as an integral part of a reciprocal and mutually advantageous multilateral agreement. We have entered the tariff negotiations with a determination to proceed steadily towards the conclusion of a generally satisfactory agreement.
on tariffs and trade. We are concerned, however, about the relatively slow progress which is being made in other sets of tariff negotiations from which we expect to derive the general benefits resulting from the reductions of high duties and the binding of low duties. Some of these tariff negotiations include a number of complicated negotiations involving a large number of products on both sides. We hope that all of us will now show more determination to complete our negotiations by the target date set for the signature of the General Agreement on Tariffs and Trade.

Finally, Mr. Chairman, I should like to make a general comment upon the nature of the international organization which we are seeking to build. One result of the large flow of conflicting amendments has been to try to reach compromises by postponing more and more of the awkward decisions through placing them upon the shoulders of this new Organization. The proposed Charter is now filled with references to difficult and complex matters which are to be determined by the Organization. This is one consequence of the multiplication of exceptions from the application of general principles. We realize that a certain flexibility must be provided for to meet future events and in the application of general rules to particular circumstances. While that flexibility is desirable, it must not be pushed to the extent that it would constitute such a burden upon a new and inexperienced organization that the whole scheme becomes unworkable. This aspect of the results of our work thus far has caused us serious apprehension. We fear that we are building up high hopes which it be difficult to attain in practice.

Every country represented here has particular problems and difficulties. Our purposes can be achieved only if there is a disposition toward mutual sacrifice and accommodation. We sincerely hope that we can regain and maintain that spirit of compromise which at earlier stages of our work held out the promise of a successful outcome, an outcome which all of us could conscientiously recommend to our governments.
CHAIRMAN: Monsieur Augenthaler

H.E. Z. AUGENTHALER (Czechoslovakia): Mr. Chairman,

Gentlemen, I feel deep sympathy with the sorrows of my friend Mr. Forthomme and of the Belgian delegation and I think that we, Czechoslovakia, understand very well what it means to be a small territorial unit, specializing in the processing industries and dependent on imports of raw materials and foodstuffs which can be paid for, and this includes services, only by the exports of manufactured articles. I dare say that in this respect our situation is even more difficult than that of Benelux as we have neither the Congo, nor other overseas territories, nor wealthy neighbours and, as it was rightly said, we have to pay for our distance from the sea by tightening our belts.

The difference between our ideas and those of Belgium is, I think, the point of view from which we consider those difficulties. I feel that the memories of pre-war depressions are casting a deep shadow on our work here, especially as we are conscious that we cannot be guided by the facile optimism as was the case after 1918. This is the reason for so many escape clauses and I am afraid that everybody tries to have a seat next to the emergency exit wondering if he will not be overrun by other stronger than himself should the alarm sound.

I doubt if we can help that feeling as long as we have not a reasonable degree of social and economic security. We agree here with the opinion that the restrictions on world trade imposed in the period 1929-32 were not the reason of the contraction of the international trade, but rather a consequence of the already existing crisis.

The Economic and Social Council when deciding to call an International Conference on Trade and Employment placed as the
first item of our agenda the following topic: International Agreement relating to the achievement and maintenance of high and stable levels of employment and economic activity. I think that the Economic and Social Council was expressing the opinion that only in a world where there are stable levels of employment, freer trade can develop to the extent envisaged in the Charter. I doubt that the work has so far been done here has been very fruitful towards an international agreement on what we call full employment but I agree that as countries have different political and social institutions it is difficult for them to accept strict obligations in this field.

As for ourselves, we are convinced that the world cannot reach a reasonable degree of economic and social stability without some control of economic activities, especially as this system can do what is normally beyond the reach of private enterprise, namely, it can make allowances for social reactions.

If a country is trying as we are to achieve this aim, it must also have possibilities to employ certain instruments for carrying out its plans and those instruments should not be considered as something contrary to the spirit of the Charter or a kind of special privilege accorded to the respective country. The Belgian declaration mentioning state trading assumes that this form of trading is the opposite of free trade also in commercial policy. But the opposite of free trade in commercial policy is protectionism which is not the same thing as state trading. State trading is only a certain form of enterprise and as we cannot infer from the fact that, if there are enterprises in the form of private firms, a certain state will either embark upon a policy of free trade or protectionism, so we cannot assume the
same about a state where there are other forms of enterprises than private ones.

Also a controlled economy cannot be regarded as the opposite of a free trade economy as there is mainly a difference in form and not in substance. It is only this form, quantitative restrictions, which in the past was an instrument of a restrictive, that is, protectionist policy, which tempts one to assume that economic control necessarily is the opposite of free trade. But neither a controlled economy nor state trading are in fact an obstacle to an expansion of world trade and the decisive criterion whether a restrictive policy is pursued or not has to be looked for in other factors than in questions of form. On the contrary, one has to emphasize that means of economic control can be more favourable to an expansion of world trade than the means used by countries which do not actively interfere with economic development.
We agree that the most difficult problem of a planned economy is to find the means for bringing it in harmony with international trade relations. We have experiences from the past as to the functioning of "free trade", but we have had very little experience until now with planned economies with the exception of the Soviet Union, but this case is quite different from our own and from that of most other countries dependent to a large degree on international trade relations. At this moment many different elements are obscuring the issue at stake because we are also engaged in considerations which in themselves have no bearing on state trading as for instance difficulties arising out of shortages of certain primary commodities, post-war exhaustion, difficulties of balance of payments and scarcity of hard currencies etc. Only when those difficulties disappear, shall we be able to find the best possible means of international economic co-operation. That is why we feel that some provisions of the Charter may prove entirely superfluous and that on the other hand some new ones might be needed. As I already remarked at the opening of the second session, we live in a changing world, and it is extremely hard to find at this moment the best possible forms for what is not yet defined. If we try to apply the past formulas to future forms of economic life, we may do great damage to everybody. I think that we must wait for a while and work out detailed rules in accordance with individual cases as they come before ITO, especially when, as I already said, the present difficulties, which are mostly not structural but a consequence of the war, will disappear. I think that the Anglo-Saxon world knows very well what customary law means, and how it takes shape. That is exactly what we think will happen to the planned economies in their international relations.
I apologise, Mr. Chairman and Gentlemen, for these remarks, because as you have probably observed, we have always avoided any discussions on broad principles, convinced that they can hardly help us in our work. But as the Delegate of Belgium has now made his declaration of principles we think that it might be of some help if we define our attitude to the Charter and to the work on which we are engaged here.

I thank you, Mr. Chairman.
CHAIRMAN: The Delegate of China.

Mr. N. J. WU (China): Mr. Chairman, I believe we have all studied with great interest and close attention the statement made by the Belgian-Luxembourg Delegation at the Executive Session on the 9th June, giving a warning signal that we are heading in the wrong direction and not in the way we intended to proceed. It pointed out that the discussion of the Charter, as it is now developing, tends to establish a status of privilege for certain categories of countries, particularly the under-developed and the war devastated countries. China being one of the relatively under-developed countries, as well as a country which has been devastated by the war, the Chinese Delegation feels constrained to speak a few words in explanation of its position at this Conference.

The Chinese Delegation has great sympathy with the intentions underlying the statement, but feels that the Belgian-Luxembourg Economic Union seems to regard itself as a Cinderella with her sisters receiving all the favours that they can get. I do not know what others think about it, but China, for one, does not think that she has the privilege of being considered as one of the favoured sisters.

China does not indulge in all-embracing state trading. It has never concluded any preferential arrangement or Customs Union with any country. Its exports of primary commodities cannot yet enjoy a protective market. Trust and cartel are practically unknown in China. Some Delegations may have thought that the under-developed countries such as China are going to profit by the provisions of the Charter concerning protective measures and quantitative restrictions, but they have evidently not seen the great sacrifices these under-developed countries will have to make in granting the unconditional most-favoured-nation treatment and the national treatment to the imported
products of all the countries including Belgium and Luxembourg. It is clear to all that countries with industrialisation still at the early stages will have great difficulties in establishing new industries on a competitive basis with the imported products, and in finding external markets without special measures which were once the order of the day, and which are now roundly condemned as discriminatory.

It may also be noted that certain exemptions to the general elimination of quantitative restrictions are quite in accord with the spirit of the provisions of the International Monetary Fund concerning exchange controls, of which Belgium is a party. For exchange controls, if permitted by the Fund, have the equivalent effect of quantitative restrictions.

Indeed, looking at the Draft Charter purely from the angle of national interest, each country may regard herself as the Cinderella and all the others as the favoured sisters, and no-one would feel satisfied with it at all. However, we must bear in mind that International agreements must be based on the spirit of compromise and mutual concession and sacrifice. Here we have Delegations representing 17 nations, not to mention the number of countries that will be invited to participate later on. These are nations that have attained varying stages of economic development, with different sizes of national wealth, natural resources, different traditional concepts and habits and forms of social life. In order that nations with such diverse backgrounds might work out a common programme for an expansion of world economy and an increase in international trade, it is necessary to strike a judicious balance between their varying interests and viewpoints, the existence of which makes it impossible for any one economic principle to over-ride all others.
The Preparatory Committee has been given the task of searching, through discussions, for the largest possible common ground among the welter of different and even conflicting concepts and interests. The finding of this common ground is necessarily a process of give and take, in the course of which each participating nation has to abandon some of its views in exchange for what it regards as adequate compensation.

The Chinese Delegation, as stated above, does not regard the present Charter as a perfect one, and is not always in agreement with the amendments proposed thereto, yet it has never allowed the one-sided viewpoint to warp its judgment as to the value of the Charter discussions.

I wish to reassure you, Mr. Chairman, that in spite of her present economic difficulties brought about by enemy occupation and accentuated by her relatively slow pace of industrialisation, China, like the Belgian-Luxembourg Economic Union and other members of the Committee, is prepared to contribute her share to the successful conclusion of the Charter, which will lay the foundation for higher standards of living, full employment and the social progress and development in all countries.
CHAIRMAN (Interpretation): I have no other speakers on my list, but I cannot believe that there are no delegates who wish to take the floor.

Mr. L.C. WEBB (New Zealand): Mr. Chairman, the necessity for any substantial contribution to this debate by the New Zealand delegation has, in the main, been removed by the statements by Dr. Coombs and Dr. Augenthaler, and with a greater part of those two statements we find ourselves in substantial agreement. But I would like to underline one point which arises out of a very striking passage at the conclusion of the Belgian delegate's statement. He said that the warlike techniques of 1940/1945 were infinitely more deadly than those of 1914/1918. In the same way, the techniques of economic warfare in the future will make those of 1930/1939 appear childish. Now, it is just at that point that we find ourselves unable to follow the line of reasoning followed by the delegate of Belgium. These economic weapons which are referred to are in fact economic controls, and the result that you get from an economic control corresponds to the intention. If the intention is restricted, the result is restricted. If the intention is an economic expansion of the given economy, the result can be an expansionist result. We do not believe that any good result is to be obtained by prohibiting or outlawing the use of economic controls, and endeavouring to establish for all countries and all products the regime of liberal trade, because it is our view that while liberal trade may have conferred certain very notable benefits on the world, there are manifestly problems which liberal trade has not solved and will not solve, and one of those problems is presented by the world trade in primary products.
We have had much discussion at different times in this Conference as to whether highly industrialized economies are less unstable than economies which depend upon primary products. I do not want to enter into that discussion but I would just say this: that there was one statement which I did not believe could be controverted, that in the period between the two wars the fluctuations in world market prices of primary products were relatively greater than the fluctuations in the prices of manufactured commodities, with unhappy results both to producers and to consumers. As a result of that situation, there is scarcely a country in the world today which specializes in exports of primary commodities which does not resort to some form of State trading or State marketing, and we hold that it would be a disaster both to producers and to consumers if, in the name of liberal trade, we were to go back to the system – or the lack of system – of marketing primary commodities which existed before the advent of this particular form of economic control.

I think it is also true that just as the technique of liberal trade has not solved the problem presented by the world trade in primary commodities, so it has failed to solve the problem of under-developed countries.

The New Zealand Delegation has subscribed to the view that perhaps the greatest economic task which lies before the world in the immediate future is to develop the resources and raise the living standards of vast areas of the world which are under-developed and where relatively low living standards prevail.

Under the liberal trade practices of the past century or more, the economic development of those areas has been lamentably slow and if we look to liberal trade techniques to
develop those countries in the immediate future, then, in our view, progress will continue to be lamentably slow.

In conclusion, we would refer to one point in particular. It has many times been suggested in the course of this and other discussions that every time this Conference departs from the London Draft it has somehow fallen from grace. It is, I think, agreed that the London Draft does represent a very important and valuable stage in the development of the grand design which we have in front of us, but we, for one, do not feel and never have felt that a sort of sanctity surrounds the London Draft. It is indeed in some ways a happy compromise, but I think all of us who have had experience in looking at compromises know that sometimes a compromise results in some very bad reasoning being embodied in the resulting document. I think I should say frankly that we have always felt that there is in the Charter, as we have it now, a certain conflicting of ideas. We have named certain objectives in the Charter which are very important objectives and it seems to me to be an open question whether these objectives can be reached by the road of liberal trade.

We have talked of higher standards of living, full employment, conditions of economic and social progress and development; we have talked about steadily rising levels of effective demand, and we have talked about the avoidance of excessive fluctuations in world trade. We have talked about the development of a balanced world economy. Now we have always felt that one half of the Charter appears to attempt to establish the doctrine of liberal trade and another half of the Charter proposes objectives such as I have mentioned, which may or may not be attainable by that method, and it is our view that in this discussion, and in previous discussions of the same nature, that essential conflict of ideas in the Charter has become more marked and creates more difficulty.
Of course there is a final reason, I think, why we ought to be a little wary of assuming that the London Draft has a sort of sanctity; that is, that it is perhaps the very reason which has been advanced in favour of that point of view. We have been told that the seventeen countries who were involved in that discussion reached a very nice compromise, which is embedded in this Draft, but it goes back, I think, to the point I mentioned the other day, that we are in very great danger of assuming that this essentially is a matter of reaching agreement between seventeen countries. It is not. It is a matter of seventeen countries drafting a Charter which is going to create a World Trade Organization.

We feel certain that if the Charter tips too far in the direction of liberal trade and seeks to impose that pattern on every economy, then the number of abstentions will be so great that the World Trade Organization will either never come into existence or will play no very great part in the economic development of the world.
CHAIRMAN: Mr. Wilcox.

MR. C. WILCOX (United States): Mr. Chairman, we have been here something more than two months and I think perhaps it is well that we should pause for a stock-taking on the progress of our negotiations. I fear, however, that we are running the risk now of going into another round of speeches in which each of us exposes his particular economic philosophy.

I listened to one such round of speeches at the opening of the meeting in London, to another at the close of the meeting in London, to another at the opening of the meeting in Geneva, and I listen to am expecting to another at the close of the meeting in Geneva. I think we all understand very well what the economic situation and the economic philosophy of each of the countries represented here may be. I am greatly tempted by some of the things that have been said to expose my own economic philosophy, but in the interests of conservation of time I shall forbear.

I suggest that we try to keep our eyes on the ball. We are concerned here with the progress of our negotiations. Now, if there is anything that I have learnt from sitting at the feet of Dr. Coombs and the other Professors in this University, it is that two things are bound closely together - the tariff negotiation and the negotiations with respect to the Charter - and that within the Charter two things are bound closely together, one being dependent upon the other, that is, the provisions with respect to commercial policy in Chapter V, and the provisions of Chapters III, IV and VI.
Now I accept those two facts as being established as the basis of our negotiations, and approaching the problem from that point of view we have heard it said many times that some countries will not be able to consider whether the Charter will be acceptable to them until they see the results of the tariff negotiations. Well, how are the tariff negotiations progressing?

We have 120 possible combinations of bilateral discussions on tariffs. Among those we have 93 scheduled. Up until 14 June only 5 of those pairs have had over 10 meetings each. Those were the United States and Canada; United States and the United Kingdom; the United States and Cuba; the United States and Czechoslovakia; and the United States and Norway.

There were other pairs that had had 5 or more meetings. Those were the United States and Brazil, the United States and France, the United States and India, the United States and Lebanon and Syria, United States and China, Canada and France, Canada and Norway, Australia and France.

In 13 cases there have been 5 or more meetings with respect to tariff negotiations. Of those 13 the United States has been a party to 10, Canada has been a party to 3, France a party to 3, Norway a party to 2. No other country has been a party to more than one.

Now I grant you that a purely statistical analysis of that sort does not show you what the progress of the negotiations may be; but I doubt very much if countries are making pronounced progress towards agreement on tariff rates if they have not met as many as 5 times.

I am quite concerned about the progress of the tariff negotiations. I have heard it said that we should push ahead to an early conclusion to these negotiations, that we should not plan to be here in the indefinite future, and with that I am quite in agreement. I only suggest that the statistics indicate that if
we have any intention of meeting the target date we have establis
for ourselves, we must all get a move on - and I say that to the
members of my own Delegation as well as to my colleagues from oth
countries.

In the case of the Charter, we have been told by certain
countries that they will find it impossible to accept the
provisions of Chapter V with respect to commercial policy unless
there is attached to them the provisions of Chapters III, IV and
VII; and if the character of those Chapters is impaired, they
would prefer to reject the Charter as a whole.

I am willing to accept that. The only thing I want to say
about it is that it works both ways. That if the Charter is going
to be acceptable we must preserve both sides of the balance.

A great many Amendments have been introduced to the Charter at
this meeting. Some of them involve merely textual improvements,
and I think that in this respect we are making some progress
towards clarifying sections which were obscure, and expressing our
meaning in better wording.

Some of the proposed Amendments involve what appear to be
minor escapes from relatively minor types of restrictionism
practised by a single country.

Well, these things may be annoying, and they may absorb a
great deal of time in negotiation, and perhaps we will have to
accommodate some of these things to meet the needs of particular
countries, and perhaps we can talk people out of some of these
things; but that cannot be regarded as an assault upon the
fundamental character of the Charter itself.

There are, however, I believe, certain Amendments that have
been introduced that would destroy the whole edifice that we have
sought to construct, and against those we must stand like a wall of
stone.
The Delegate from New Zealand has said that compromises may be illogical and may involve a conflict of ideas, and I think perhaps that is true; but they are none the less necessary. I do not see, for my part, how we can hope to arrive at any sort of an agreement, how we can hope to establish a workable Organization, without compromise.

As Abraham Lincoln remarked, if we don't hang together, we are sure to hang separately.

I would agree with the Delegate of New Zealand that the London Text is not sacrosanct, that it can be improved in particulars; but there is something that we achieved in London that is necessary and essential, and if we lose it we are doomed to failure, and that is a practical and working balance of interests. That means that in this Meeting we must work ourselves back to the sort of a balance of interests that we achieved in London. That does not mean in the same words, it does not mean in the same detail, but it does require the same fundamental balance.

When we get through with that, we shall have to look at the Charter as a whole, and we each of us shall have to accept it or reject it as a whole. We have always recognised the necessity and the desirability of meeting the situation that exists in the world where some economies are semi-individualist and some economies are more nearly, or completely, collectivist. We must find a way to work together.

We have also recognised the necessity of meeting the problem that is created by the fact that various countries are at various stages of economic development. I think a compromise based on that recognition is desirable. I think it is sound. We will stand by it. We would not for a moment suggest that it be
changed.

The Delegate for New Zealand has said that we must not tip the balance too far towards liberal trade. I would suggest that we must not tip the balance too far in the other direction.

I can assure you that if we do, this Charter will not be accepted in the United States.
I told my Delegation when we first arrived in Geneva that they should be prepared for a great deal of bad news. I said they would be told by the Press that this meeting was being carried on in secrecy behind closed doors, and that all sorts of things were being done here at a high rate of speed that would be extremely damaging to the interests of the United States. They would also be told that the Delegates were sitting behind these closed doors doing nothing whatsoever, and that the Conference was making no progress. They would also be told that the Conference was in imminent danger of breakdown, and that Country "A" or Country "B" was about to walk out. I said to them, all those things will be said and none of them will be true.

I do share the feeling that has been suggested by my colleagues from Belgium and Holland and Canada that certain of the developments at this meeting have been, from our point of view, undesirable and pointing in the wrong direction. They are not yet, I am happy to say, accomplished facts. I have seen a great many pieces of long blue paper that contained ideas which were to me quite as unacceptable as those that had got into print at Geneva, and I am happy to say that they did not appear - at least all of them - in the draft that finally emerged in London.

I do not think that there is occasion in our present situation for undue alarm. We must work ourselves out to a solution that will be acceptable to all of us. I am sure that we shall do so. We shall do so because we are all of us in a situation where, whatever we say on the surface, we know in our hearts that none of us can afford to see this project fail.
I would reject completely and emphatically any suggestion that we must be satisfied with moderate or limited results. I would reject completely any suggestion that now is not the time for us to face the economic problems of the world—that we should wait. Wait until when? Until we are committed to policies that will put us in a worse mess than we are in today? I ask you: if we cannot now face our problems, when can we? Have we not learned anything? Must we wait until after the third World War? I think we know, all of us, that the answer to that must be in the negative.
Mr. J.R.C. HELMORE (United Kingdom): Mr. Chairman, I shall try and be brief. I am afraid I shall depart from Mr. Wilcox's principle of not talking about the point of view of my own country. It is the one I understand best, and I also firmly believe that, for the United Kingdom's trading position to be adequately dealt with under this Charter is essential for the rest of the world, for a long time to come. No doubt, if it were not properly dealt with, the rest of the world would readjust itself in time, but I think it will be a long time and a very uncomfortable time for everybody.

Now, this whole project began, Mr. Chairman, with the Transatlantic Charter and the mutual aid agreement. It was a great idea in the middle of the Great War, and we owe very much to the great President of the United States. Later on, in 1945, we and the United States were the joint sponsors of the proposal. I am going to venture to quote some words from the joint statement by the United States and the United Kingdom when the proposals were published. They were: "Equally the government of the United Kingdom is in full agreement on all important points in these proposals, and accepts them as a basis for international discussion, and it will, in common with the United States government, use its best endeavours to bring such discussions to a successful conclusion in the light of the views expressed by other countries."

There are two important points in that statement. One is that the conclusion should be successful, and the other is that it should be done in the light of the views expressed by other countries. I would agree, Mr. Chairman, with those who have said that while the London compromise is not sacrosanct - and I would go on to say that
it was not by any means complete if one counts up the numbers of reservations in the London Report - nevertheless, we were in sight of reaching a successful conclusion. I think, perhaps, the comparative success of London has encouraged the Second Session of the Preparatory Committee to try to go too far in meeting this or the other point of view. People have said: "Well, here is a pretty good Charter. We like it on the whole." "The fit of the suit of clothes is quite good, but I would just like to get the tailor to alter the fitting under the left arm-hole." Or: "I would like another half-inch on the trousers." Or: "I would like the collar cut slightly differently." And we, the seventeen tailors, have perhaps been rather too accommodating in the mass.
It is perfectly true that the suit of clothes has got to fit the world and it is our duty to see that, whilst we do not spoil the suit by making too many alterations, nevertheless it is one in which the world has room to work. And quite soon, according to my mind - comparatively soon, at any rate - the Governments of the countries represented here will have a chance to say whether it suits them or not, because we are here not only to draw up the Draft Charter for submission to several other countries, but, as the Delegate of New Zealand said, we are also hoping to sign the General Agreement on tariffs and Trade, and that will incorporate, in one way or another, practically all that is in the Draft Charter and some tariff concessions or some tariff agreements as well. And the question Governments will have to face then is: "Shall we be better off with this or without this?"

The point I want to put is this: we can go on up to a point, evolving, altering, changing, but when we have done all that - and nobody will be completely satisfied - the choice is then between success or failure; there is no other way out. And if it is failure, as I said at the beginning of my remarks, everybody is going to suffer. So, when we hear people speak of saying - as the New Zealand Delegate did - that if we take the balance too far one way, this will be unacceptable to so many nations that it will fail, it seemed to me he was taking altogether too light-hearted a view of failure.

And if I may say so to my Belgian colleague, whose interests in this, I think, are very much the same as those of the United Kingdom - his country has the same sort of economy, it exists in the same way, principally by importing foodstuffs and raw materials and exporting manufactured
goods; he will also have to think whether really the privileges
that he referred to have gone so far that the whole thing is
not worth while, but it will not then be a choice between going
forward - maybe not nearly so far as we should like - or going
right back.

I have been endeavouring, Mr. Chairman - as I expect every
Delegates has here - to think forward to what I shall say when
the time comes when it is my duty to give some advice, which
naturally enough may be accepted or rejected, as to whether
the Charter or, rather, the general clauses of the Agreement on
T riffs and Trade and the Schedule are satisfactory or not.

I find myself - as Dr. Coombs would say - on nearly every
question we have had, in very great difficulty in making up my
mind one way or another, but I must confess that, so far as the
tariff negotiations are concerned, I do not feel particularly
confident about the kind of advice that I shall be able to give.

As far as the Charter goes, I do not yet share all the
apprehensions that have been expressed. I think it is rather a
surfeit of the Geneva diet of blue paper, which has not yet been
digested, that causes some of the apprehension. I looked
rather carefully at the points put by my Belgian colleague and
I thought he was taking rather a gloomy view. But, none the
less, I think he has done a very great service in making everyone
wonder whether we are not driving rather close to the edge just
at the moment.
CHAIRMAN (Interpretation): Gentlemen, the next speaker on my list is Monsieur Baraduo of France.

Before giving him the floor, however, I would like to know whether there are other delegates wishing to take part in the debate, because if such is the case, I will be able to know whether another meeting is necessary or not.

MR. M. MUBARAK (Lebanon) (Interpretation): Mr. Chairman, it will all depend on the decision made at the end of this debate. For the time being the debate has been purely platonic, the questions, ornamental questions and questions of form. The United States delegate has faced the Committee with the responsibility, and has posed the problem in the same way, as Monsieur Forthomme had the courage to do it. I think, frankly, we have to make a decision after this debate.

The Committee seems to be divided into two groups. The question is to know whether the Members will follow the United States delegate, or will each keep to their own position, and in that case I do not know what would be the end.

CHAIRMAN (Interpretation): The delegate for Brazil.

MR. L.D. MARTINS (Brazil) (Interpretation): Mr. Chairman, it was not our intention to intervene in this very interesting debate. I did not want to tell you the various imperfections which, in our opinion, are contained in the Charter, but after the statement made by the delegate of the United States, in the name of the Brazilian delegation I wish to say that we have only one thing to do and that is to continue our efforts.
CHAIRMAN (Interpretation): I would like to answer the delegate for the Lebanon. He said that this debate had been purely platonic, but I hope that it will remain platonic and that the debate will be confined to a discussion of ideas.

I must say that, speaking for myself, I do not see this clear-cut position that the delegate for the Lebanon just mentioned. I think we are all, on the contrary, in agreement with the delegate for Brazil who said that we must continue our efforts in our work.
CHAIRMAN: The Delegate of France.

Mr. BARATUC (France) (Interpretation): It is not my intention, Mr. Chairman, to deliver a speech, and I will have only a few brief remarks to present.

As Mr. Wilcox mentioned, all Delegates have had ample opportunity to expand here what Mr. Wilcox has called their economic philosophy, and the French Delegation wish to remind the Committee that on the 11th April, 1947, Mr. Philip, at the beginning of this Conference, made an opening speech indicating in a very accurate way the French position, which is unchanged.

I would like to add the two following remarks.

I would like to remind the Committee that France, as well as the United Kingdom, and I do not think less than Belgium, is so to speak, vowed to international trade by its situation and by its economic conditions. Its prosperity and the raising of its standards of living are closely connected with, and dependent on, the development of international exchanges; and that is the reason why, apart from the ideals which have always animated France and its successive Governments, our interests engage us on the way proposed by the United States Delegate.

I will remind you that we inspired ourselves on this policy at the time we negotiated the Lend-Lease agreement, and particularly when we signed the famous Article 7. In our negotiation with the U.S., we have always stated we were in complete agreement with the substance of their proposal, and France maintained this position and will do its best to achieve the triumph of these views.

However, and I do not think in saying that I would be in disagreement with the Delegate for Belgium - we are, in any case,
so close to his Delegation that no misunderstanding between us seems possible - but I think I will not be in disagreement with the Delegate of Belgium (nor even with Mr. Wilcox, who has shown recently, again, all his understanding of the position) if I say that our work here has for its essential aim to assure international exchange, and that we must reach this aim by steps and gradually.

I think that if we want to allow the various countries to engage upon honest and practical competition between nations, it is indispensable to re-establish before some sort of equivalent of the conditions of production of the various Members. It is indispensable to take into consideration the fact that some of the Member countries have been devastated by war, and also to take into account the situation of the less-developed countries which are faced by the necessity of building up their economy and developing their industry.

I have myself full confidence in the success of our work, and I believe that with mutual understanding we shall succeed in building up a Charter which will be acceptable to all our Governments, and I would say that the French Government think that the time has come now to reach this goal.

As Mr. Wilcox, and Mr. Heilmeier after him, rightly mentioned if we do not reach this goal now, when shall we?

If we do not reach this goal now, we might lose an opportunity of establishing an economic condition which will enable us to avoid a new world conflict.
CHAIRMAN: Are there no more speakers? I would like to ask the Delegate of Belgium whether he wishes to answer.

M. Pierre FORTHOMME (Belgium): Since most of the speakers who have replied to my statement spoke in English, I will use the same language:

Mr. Chairman, I suppose that having started this, I must say a few words, but I feel very much like a child whose electric train has been taken over by adults! Several of the speakers here have expressed what I had in mind and the conception I was trying to clarify much better than I succeeded in doing it myself. I do not think it would be opportune now to try and reply to certain of the points of detail which were raised in the course of this debate. I think it can be done elsewhere, and I am at the disposal of the different speakers and Delegations for any questions they would like to put to me.

There is only one point which I may have to reply to, and that is what the Delegate of Great Britain said when he asked if I had realized exactly the choice that lay before us when I made my statement. It is exactly because I realize fully that that choice lay between a workable and acceptable Charter and chaos that I wrote my statement and, maybe, that I made it so gloomy.

The history of the world since I was born into it has bred in me one conviction, and that conviction is that it is a mistake to think that human affairs go through periods of emergency where the only salvation lies in the united efforts of everybody, without distinction of race, of creed or of nationality, and that then there come periods of attained safety where we can indulge in petty dissensions, in selfish interests and in grouping together in rival clans. The fact
is that the danger which threatens us at every moment is
division itself. As soon as we cease to work together, as
soon as we turn our backs upon each other, we are in mortal
danger; and if we do not write into everything we do, and
this Charter in particular, the necessity to help each other
along the way towards a better world, we will find that the
diverging paths we are going to follow will meet again in Hell.

CHAIRMAN: (Interpretation): Gentlemen, I think that we
can all be grateful to have had an opportunity for this exchange
of views, and now let us try and build up the synthesis of
this Debate. I believe that it is not possible to judge the
Charter on one particular Article. It is, perhaps, best to
forget for one moment the atmosphere of Committees, and breathe
the air of higher levels. On the other hand, it would be also
wrong to judge the Charter on particular interests alone in a
world which is not uniform; where the economic structure varies
according to the countries; where there are vast areas which
are not yet fully developed and where, last but not least, the
future is still uncertain.

It is desirable to have a simple Charter, with a few fixed
rules. However, compromise is often necessary, and a safety
valve for some exceptional and particular cases must also be
provided for. Therefore, we have a need for a certain
flexibility which in the opinions of some people carries the
germs of weakness. However, it is essential that we recognize
the necessity of a Charter without worrying unduly whether it
will be fully applicable or not. As Mr. Wilcox has mentioned,
I do not consider that the situation of this Conference is
desperate. It is not so. It is incontestable that we work
for a necessary purpose. Therefore, gentlemen, let us work and
let us work well. This is the lesson of today's debate.
Gentlemen, we shall convene tomorrow at 2.30 p.m. in Executive Committee, in order to study the document E/PC/T/101, dated 18 June 1947, which is the Eighth Report of the Committee on Tariff Negotiations. The meeting is adjourned.

The meeting rose at 6.15 p.m.