

SUMMARY RECORD OF THE NINTH PLENARY MEETING

Held at the Capitol, Havana, Cuba  
on Monday, 1 December 1947, at 4.00 p.m.

President: Mr. Sergio I. CLARK (Cuba)

• Mr. TANHAM, (International Organization of Industrial Employers) felt that the Conference was preparing the ground work necessary for determining how the needs of nations could be satisfied by practical and mutual assistance through production and multilateral trade.

Production was the business of industrial employers and trade was the life blood of business. The eyes of industrial employers all over the world, therefore, were focused on the Havana Conference. The Organization which he represented had accumulated, through the years, the knowledge and the techniques to manufacture products which were needed and to distribute them efficiently.

By stimulating production and trade and by removing impediments which blocked trade between nations, ITO could bring to consumers everywhere more of the goods which they needed. It could also increase the flow of investment capital for the development of natural resources and of industry. (For fuller text, see Press Release ITO/92).

Mr. COREA (Ceylon) pointed to the need for a spirit of mutual tolerance and good will in the drafting of a Charter which would be just and fair to all. There was general agreement as to the purposes and objectives of ITO, but he was afraid they might lose their significance when the Conference came face to face with the grim realities of international commerce.

He did not feel that it was unfair to say that undue importance had been given in the Charter to the point of the more highly developed countries. The effect of the Charter as it was now drafted could be to freeze the economic life of the underdeveloped countries at its present unsatisfactory low level. Such countries had to make a sacrifice for the attainment of the common goal but not to the extent of paralyzing their economies.

The Chapter on Inter-Governmental Commodity Arrangements would need drastic revision to satisfy the special needs and difficulties of primary  
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producers. Study groups should be established for each industry and should make recommendations to ITO when difficulties arose or were apprehended. A simpler and more efficient procedure would have to be evolved to secure for primary producers the safeguards which it was the intention of ITO to provide.

Ceylon had a special interest in Article 4 concerning the elimination of substandard labour conditions. One of the principal aims of the Organization should be the raising of the miserably low labour standards which prevailed in most underdeveloped regions. (For fuller text, see Press Release ITO/86).

Mr. POLITIS (Greece) stated that although his country had not taken part in the preliminary discussions at London and Geneva, it was in general agreement with the provisions of the Draft Charter. Greece had always depended for its livelihood on its foreign trade and therefore could fully approve any recommendation to remove trade barriers.

The authors of the Charter had realized that a free international trade would depend on the willingness of the highly developed countries to aid in every way possible those which were not sufficiently developed. The Chapters on Employment and Economic Development treated of that question and perhaps would need further clarification. The conception of the economic interdependence of nations had been confirmed by the example of United States' aid to Greece and to other countries through the Marshall Plan.

The Greek delegation was not convinced that sufficient allowance had been made for the transition period. It was not enough to include a list of exceptions in the Charter; problems would have to be solved by a series of ad hoc rulings.

The economic life of Greece has been dislocated and shattered and a long convalescent period would be needed before her traditional commercial policy could be abandoned. A change now would result in unemployment on a large scale and would be contrary to the principle of the Charter.

In conclusion, Mr. Politis expressed the view that only the most flexible rules should be laid down for the transition period, while the work of ITO should be carried on optimistically but in a spirit of realism. (For fuller text, see Press Release ITO/88).

Mr. SPEEKENBRINK (Netherlands) said that his delegation had made no formal reservations concerning the Draft Charter though it was not in entire agreement with respect to certain stipulations concerning transport or with the terms of Article 21, sub-paragraph 3 (b).

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On the whole, the Charter reflected fairly the needs of both highly developed and less developed areas of the world. Mr. Speekenbrink, however, shared the fears of the Canadian representative that it contained too many escape clauses.

His delegation had received with satisfaction the news that all the "key countries" had signed the Protocol of Provisional Application of the Agreement on Tariffs and Trade, before 15 November. That would mean that on 1 January 1948 many reduced tariffs-rates would come into force.

In connection with the speech of the representative of the Indonesian Republic, he drew attention to the fact that the delegation of the Kingdom of the Netherlands represented all the component parts of the Kingdom. The official record of Mr. Gani's statement still contained certain reflections on conditions in Indonesia before and after the Second World War, and on those he felt compelled to make a few observations.

It was impossible to have a clear picture of the problems of such a densely populated part of Asia through considering a few statistics and therefore he would limit himself to some brief remarks on the questions of education and hygiene. The Netherlands educational system in Indonesia compared well with that of any other Asiatic country and all prominent Indonesian leaders could testify to the fact that it had done more for the Indonesians than could be proved by statistics.

It had been said that only twelve thousand doctors were available for the population of the whole of the Indonesian Archipelago. That figure only represented the doctors who were government officials; no mention had been made of the many doctors who were engaged in private practice or who were working with the missions. The Governmental Service for Public Health had established numerous local organizations for the prevention of contagious diseases and from 1931 to 1940, the official mortality figures for the Indonesian population on Java and Madura never reached as much as two percent.

With reference to Article 68, Mr. Speekenbrink insisted that there could not be the slightest doubt that under the rules of international law, the Kingdom of the Netherlands still retained full sovereign powers with regard to all the component parts of the Kingdom. The Economic and Social Council had said nothing which could be construed as disputing that sovereignty. On that basis alone, the Netherlands' delegation would take part in the discussions of the Conference, although it was prepared to co-operate fully with every delegation present. (For fuller text, see Press Release ITC/96).

/Mr. DEJOIE

Mr. DEJOIE (Haiti) drew attention to the heavy responsibility which rested with each representative towards the peoples of the world. The masses who now lived in a state of physical and moral degeneracy had to be assured of employment and an adequate standard of living. The obsolete economic policies which had led to so much suffering had to be set aside.

His delegation in general agreed that trade barriers should be removed, but some formula would have to be found to cover the problems of underdeveloped countries. Haiti's tariff regulations were not protectionist in character. The Haitian Government favoured the introduction of investment capital but reserved its position with respect to Article 13. During the war, the production of sisal had been greatly increased and a new industry was developing. Surely it would be possible for Haiti to protect, in some measure, that infant industry. The terms of Article 13 should apply, more particularly, to the more highly developed countries.

The same considerations applied to Article 18 concerning Internal Taxation and Regulations. Paragraph 2 of that Article would hamper any state which did not possess a merchant navy.

The richest nations of the world would have to adopt policies which would not result in the placing of insuperable obstacles in the way of small capital investments. Haiti had freed herself of a financial lock and now, free of debt offered her co-operation in the establishment of a democratic economic order.

Perhaps it would now be possible to embark on a scheme of international economic planning, without which a world of peace could not be assured. (For fuller text, see Press Release ITO/93).

Mr. D'ASCOLI (Venezuela) stated that his country had always worked towards a reduction of tariffs as a means of decreasing the cost of living. Today, further studies were under way to reduce tariffs on goods not justifying national production, while at the same time Venezuela was promoting industrialization.

The equality embodied in the Charter must not be of the nineteenth century type, which actually established disequality by making it impossible, for instance, for Latin American Countries to develop new economies. During that period they had furnished raw materials and had been but a dumping ground for finished products. This had now been substituted by the just idea of economic interdependence for the welfare of all. A Charter would not be possible unless the old prejudices were discarded and instead modern, dynamic principles of co-operation adopted.

Some speakers had insisted that there must be amendments to the draft Charter, others that it was practically perfect. Concerning guarantees of  
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investment, he felt that so far the Charter contained only platonic declarations. To develop its economy was a just aspiration of any country; and should not be strangled.

How could the under-industrialized countries defend themselves under the clauses regarding quotas, subsidies, exchange customs, even though they were told that the draft Charter provided protection? In fact, there were many contradictions. Paragraph 4 of Article 1, for example, was concerned with reducing tariffs as a fundamental way of increasing trade. How could the "younger" countries protect themselves from the competition of the more highly developed countries? The needs of all countries must be taken into consideration; the Organization must not be tied inextricably to such clauses if the necessary economic development was to be realized.

Concurrently with the desire to co-operate in commerce, Venezuela was making a great effort to improve its industry, agriculture and animal husbandry in an attempt to be free itself from dependence upon one single exhaustible product - oil. Diversification was imperative for the future of his country. .

Goodwill, co-operation and patience must be exhibited during the transition period of the development of small countries, at the same time that agreement and understanding was reached in trade relations designed to organize and liberate world trade.

The PRESIDENT announced the next plenary meeting would be held Tuesday, 2 December 1947, 10.30 a.m.

The meeting rose at 5.20 p.m.

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