

UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL

PREPARATORY COMMITTEE

of the

INTERNATIONAL CONFERENCE ON TRADE AND EMPLOYMENT.

Verbatim Report

of the

FOURTH PLENARY MEETING

held at

Church House, Westminster, S.W.1

on

Friday, 18th October, 1946

at 10.30 a.m.

Chairman: M. M. SUETENS (Belgium).

(From the Short-hand Notes of
W.B. GURNEY, SONS & FUNNELL
58 Victoria Street,
Westminster, S.W.1)

THE CHAIRMAN (Speaking in French: interpretation): The meeting is open. I call upon the delegate of the Netherlands.

DR SPEEKENBRINK (Netherlands): On behalf of the Netherlands Delegation, which, as you know, includes representatives of the Netherlands Indies and which also will have to keep in mind the interests of Surinam and Curacao, I take this opportunity to make a few provisional remarks with regard to the aims of this Conference. On purpose I use the word "provisional" because I feel that, where this Conference has to deal with economic and social problems of such a complexity and interdependency, a balanced statement can only be made at a later date. This the more so where, as I said before, my delegation will have to judge the proposals which will be made at this Conference in the light of the interests of the four different parts of the Kingdom, which interests partly are of such a diverse nature.

To prove this point I only have to draw the attention of the Preparatory Committee to the great importance of stability in the prices of the primary products for the 70 million inhabitants of the Netherlands Indies. Moreover, in this territory the problem is not so much how to prevent unemployment but far more how to raise the social and economic level of this population. Industrial development must be one of the further means here, as in other underdeveloped countries.

Thus I can associate myself to a great extent with opinions expressed by several of our colleagues round this table. On the other hand, the territory in Europe also faces a period of readjustment owing to the sufferings and consequences of the war. The late liberation of Holland and of the Netherlands Indies from a ruthless foe presents my Government with special problems for which a solution still

must be found, notwithstanding all the work already done in this respect. However, to be able to take further action the Netherlands Government, as well as the Governments of the three Overseas Territories, will have to anticipate more or less the economic development of the world in the coming years.

If in normal times my Government would have welcomed a Conference such as this, the more so does it in the present circumstances. It fully endorses the initiative of the U.S. Government and thereafter of the Economic and Social Council as it considers it to be of the utmost importance for the Netherlands and the overseas parts of the Kingdom that the international trade will as much as possible be free from the barriers which have impaired its development in the past and might again endanger this development in the future. In this respect I fully subscribe to what has been said by my Belgian colleague on the subject of close collaboration between the Netherlands and the Belgo-Luxembourg Economic Union.

Mr. Chairman, I would like to take a firm stand in saying that, without an outlook such as the American Proposals ultimately suggest, the future would be without hope. Whilst thus applauding the ultimate object of this Conference we should, however, not forget that those trade barriers did not arise in that fateful period between two catastrophic wars out of the sheer whim of Governments. After the 1914-1918 war fundamental changes had to be coped with, as will be the case now. For the Netherlands, for instance, there is the fateful problem of the Mid-European hinterland, the present loss of which makes itself so severely felt not only in the agricultural and industrial fields but not less with regard to transport and transit

trade..

As Sir Stafford Cripps so rightly put it in welcoming this Conference on behalf of the Government of the United Kingdom, these problems cannot and may not be solved by simply exporting unemployment from one country to another. We are therefore of the opinion that special stress should be laid on the regulation of international economic life, keeping fully in mind the interdependency of international trade and employment and not laying too much stress on the word "free trade" - yet! In our opinion there should be a regulation of full employment in a positive way, having in mind a set of rules which, within certain margins, must be followed by the countries of the world when trying to reach this common and so important aim. It may, however, very well be that the great intricacy of these employment problems will only allow us to reach a few general conclusions which should be worked out in a separate conference.

We also underline again the paramount importance of stability in the prices of raw materials. We therefore support once more the proposals for a World Food Board as prepared by the Director-General of the Food and Agricultural Organisation, which proposals have been studied and discussed at the recent Conference in Copenhagen, where the general aims thereof were accepted, reading as follows:

- (a) developing and organizing production, distribution and utilization of the basic foods to provide diets on a health standard for the peoples of all countries;
- (b) stabilizing agricultural prices at levels fair to the producers and consumers alike.

In our opinion Governments commodity agreements should be put into operation as a permanent element in the forthcoming international cooperation and collaboration. I want to make it quite clear that this is necessary both to

avoid unwarranted expansion and too high prices as well as to avoid catastrophic contraction and slumps.

There is even at this stage a further point to make. If we are going to set up rules and regulations which the countries are able to accept and apply when engaged in international trade, it is obvious that difficulties cannot be avoided in the course of time. Now, I consider it as one of the biggest advantages of our work that we have to frame an Organisation which may be used as an instrument to avoid one-sided action and to make it possible instead to promote mutual understanding, concerted solutions and binding decisions to the interest of all.

Mr Chairman, I would now like to conclude these provisional observations, from which you will have noticed how much we are in agreement with the general purpose of this Conference and how much we welcome the directions of the Economic and Social Council with regard to the importance of stability in the prices of primary products and of promoting the economic activity of underdeveloped countries.

I should, however, fail in my duty if I did not again draw the attention of the Preparatory Committee to the special problems which face the Kingdom of the Netherlands together with many other countries in this very difficult transitional period and which to a great extent must guide our attitude at this Conference.

I do so without any hesitation as I think that the Netherlands and the overseas parts of the Kingdom have amply shown in the past, as they do at the present time, how much they value international co-operation in every respect.

M. ALPHAND (France)(Speaking in French: interpretation): /

May I interrupt for a moment? I would like to say that this morning the system of automatic interpretation is functioning perfectly, and I wonder whether, in order to save time, we could use it exclusively. I think it would be agreed by everyone.

THE CHAIRMAN (Speaking in French: interpretation): I have noticed the same thing and wanted to make the same proposal myself. I would suggest that, after the interpretation of the speech of the delegate of the Netherlands (the simultaneous interpretation of which I was not following), our proceedings should be conducted solely by means of the telephonic system.

THE CHAIRMAN (Speaking in French: interpretation):

I thank the delegate of the Netherlands, and I call upon the delegate of New Zealand.

MR. J.P.D. JOHNSON (New Zealand): Mr. Chairman, I would like firstly to say that New Zealand is in full agreement with the general objective of expanding employment and of increasing world trade, and is pleased to have the opportunity to be represented at this Conference for the purpose of exploring ways and means whereby that aim might be achieved. New Zealand has a special interest in this question, since her overseas trade represented by both imports and exports per head of the population is extremely high in relation to that of other countries.

World trade is a tremendously wide and complex problem which has not as yet been covered by any comprehensive international set of rules. We feel, therefore, that the greatest contribution towards achieving something in that direction can be made at this meeting by a free and frank discussion of the problems as they are known to us without attempting to be too dogmatic. That is, I understand, the purpose for which we are really here.

If they are to have wide acceptance any set of rules which are ultimately adopted must, of course, take cognisance of the economic position of all countries and must allow for flexibility to meet varying conditions.

Obviously, although each have their particular problems, countries which are highly developed industrially and which have large domestic as well as export markets are, in so far as they may require to adopt measures to achieve the general purposes aimed at, in a somewhat

different category from countries such as New Zealand, which has a small population, which relies largely on a narrow range of exports of primary products for its economic stability, which is as yet underdeveloped so far as secondary industries are concerned and which must develop suitable industries in order to diversify its economy and provide avenues for employment of its people and of its material resources, from which would flow an expansion of production and demand leading to increased world trade.

Countries within the latter category should, it is felt, have access to means for achieving their purpose which are best suited to their ^{particular} conditions, subject to their being employed towards the generally accepted objectives. New Zealand will be glad to add its contribution to the discussions on the various aspects of commercial policy which will come under review in the working committees to be set up for that purpose and will co-operate to the fullest extent practicable in achieving the goal to which our task is directed. (Applause).

THE CHAIRMAN (Speaking in French: interpretation): I thank the delegate of New Zealand, and I call upon the delegate of the Union of South Africa.

MR. A.T. BRENNAN (Union of South Africa): Mr. Chairman and gentlemen: I want to preface the remarks that I am making with the comments that were made similarly by my Canadian colleague, and I do so to make quite sure that, as a government official, anything that I may say now you will not be in a position to use in evidence against me afterwards!

My colleagues and I from the Union of South Africa feel particularly honoured to have the privilege of sitting

around this table as representatives of a country that has been appointed by the Economic and Social Council to carry out the work that has been entrusted to this particular Committee, and I regard myself as a member of that Committee. My colleagues and I like to think that in including the Union of South Africa in this Committee it may be an additional compliment was being paid quite directly to that grand old international Statesman, our Prime Minister, General Smuts. (Applause).

In looking over the names of the Committee I find that it is quite a reasonable cross-section of the old-established industrial countries and many of those, like ourselves, whose general industrialisation has only commenced over relatively recent years. We are all very conscious, however, that we are part of the same big international family. Some of us, I know, feel that some of our older brothers and sisters, and in particular in the realm of international trade, have not set us entirely as good an example as they might have set. I recognise that some of us, not being as developed as they were, were disposed in many cases to follow some of the bad examples that they may have set us, and although the younger members of that particular group are disposed to be a little critical of some of their older brothers and sisters, and to feel towards them that they have made some mistakes in the past and have led some of the younger members of the international family astray, that is no reason why they should be absolved from any criticism by some of those younger members. In other words, those younger members may have ideas that age alone should not necessarily be the major criterion as to whether that calls for respect. If one had to think in terms like that one would be disposed

to say that because a billygoat has a beard one should take off one's hat to it! - not that I for one moment regard my brothers and sisters as goats of any variety!

However, looking round the table and looking round the block that I find from right to left and left to right, I feel that I want at a reasonably early point to pay particular tribute to that great and grand country, the United States of America, and particularly for the work that my American friends have put in with regard to assisting us to get together here and in having something factual as a basis upon which to operate. I notice in the original document that came out some time later, in or about December 1945, there was a joint statement issued by the United States and the United Kingdom regarding the understanding reached on commercial policy, and accordingly on that basis I should like to allocate a piece of that particular tribute to the representatives of the United Kingdom, amongst whom I know there were, not only during the war but subsequent to the war, a large number of men, some young men, some middle aged, some older, who were very busy in those back rooms that one read about a long time back, who have been putting in a lot of thinking on the material that we are working on at the moment.

I look round here and find with regret that my Soviet colleague is not next to me, but I am confident that at some later date he will be there. I am equally conscious that I have a little bit to the left of me the great United States and the United Kingdom, but I am sure that is only a matter at present of just purely geographical position relative to the Union of South Africa.

Mr. Chairman, while listening to the remarks that have gone around this room I paid particular attention and derived a great deal of happiness and confidence in regard to the way that this Committee is going to develop its ultimate Charter and is going to prepare its final Agenda, in that I found without exception we are all aiming at the same objectives. We all have the same purpose in view, but because we enjoy living in the democratic way of life we decide that we want to approach that particular objective by our own particular road. We do not want to be told by somebody else which path we must follow in order to get to that particular objective.

I recognise that there has been a tremendous change - and each one of us recognises the same thing - in the development of international trade over the last three or four or five hundred years. In company with many of our colleagues, we have been engaged in the practical but factual developmental aspects of international trade for quite a large part of the lives of some of us, and I notice the very big advance that has been made over a relatively recent period of history.

I am reminded of the stories that used to be alleged with regard to, maybe, some of my own forbears - and I feel that the remarks I want to make now I make with due decorum and with full recognition of the privilege that we are enjoying in being housed in these wonderful rooms and being given such wonderful accommodation, and I am confident my remarks will not be taken amiss - in that it used to be said of some of those forbears that they started off round the world and had the Bible, the Word of God, in one hand, and samples of cotton piece goods in the other hand! In like

manner it has been said that in the development of our conversations of an international nature we should comport ourselves in certain ways. I think it was quite a famous American gentleman who many years ago, or maybe not so many years ago, in regard to behaviour concerning international associations of trade and other matters of diplomacy - as there will be no diplomacy if there is no international trade - remarked that his attitude generally was to speak softly and to carry a big stick!

Well, we are in this position here, that that generation has gone. We do not require to speak softly and carry a cane of any sort. We feel we are privileged to sit around these tables here and speak in a very clear voice, reasonably modulated, taking cognisance that our colleagues round about us are entitled to the same forum, and accordingly probably deriving and achieving very much greater results.

To continue, Mr. Chairman, I reiterate that I regard myself as being one of the technicians in the group that is around this table, and, as I have remarked, I feel a particular interest in that there is so much community of thought in regard to what we are actually endeavouring to achieve. I think it was Abraham Lincoln who, on one of his many wonderful occasions, speaking to those round about him who had differences of opinion, merely drew their attention to the fact that they were all going to the same place. He was not talking in terms of their after-life; he was talking of the direction in which they were moving, although they were going by different roads. So we here have all been going by different roads in the past, but we are all going towards the same place, namely, the greater development of international trade, and connoting with that a development of employment, which necessarily to us means

the right of every human being to work for his economic advantage and for his economic betterment; to give him the opportunity to improve as years go by, and thereby to achieve the wishes of each of our ^{own} parents, that each of our sons and daughters will start off a little better off than we started off when we arrived.

We have been travelling along different roads for quite a long time. Some of us wanted to go off into the jungle and get tied up with various types of vines and restrictions; others of us found that along the road which we were walking there were a number of rocks against which we stubbed our toes or against which we barked our shins; or there was a tariff wall tucked away somewhere that caused us to stumble somewhat; or we may even have had preference or various other problems that may have come in our way; but we are now at last gathered together so that we can start on something in the way of a blueprint of a road that will be sufficiently comfortable for each of us to wander along in our own time, but with due regard to the other fellow, and, at the same time, a blueprint of a road that requires a lot of preparing.

I recognise that some of my younger colleagues and maybe some of my older colleagues of the more industrialised nations may feel that in the preparation of that blueprint they would like to contemplate using more advanced road-makers - bulldozers - where some of us might not feel that we had yet arrived at that particular stage, recognising that possibly in the development of that road we may find that that road-making machinery or that bulldozer will come up against rocks, pieces of flint in the road, and that you may have sparks operating from one section of the community to another in regard to the bulldozer's steel hitting up

against the flints on the roadsides - and I was not for one moment referring to my Australian colleague when I was speaking of sparks flying! I was merely feeling that we know the type of road we want to prepare and we know the way we should go about it. We have been more or less handpicked as people who have devoted a lot of time and a lot of energy to the particular type of blueprint we are actually going to work out.

I feel that the preparation of that blueprint should not take us very long actually in our present discussions, but I feel that the ultimate development of the blueprint and the road is going to take very much longer. I read in an American newspaper sometime last month, and at a time when this was being brought to light, the remarks that were made on September 4th, 1946, by Mr. Will Clayton, the present Under-Secretary of State of the United States, and who was at that time Acting Secretary of the United States, which included the words "Progress will necessarily be slow towards the attainment of our ultimate objectives, but by starting in the right direction the nations of the world will be moving away from the chaos that will surely engulf them if they cling to the exclusionist, discriminatory practices that during the pre-war years diverted trade into uneconomic channels, resulting in a severe shrinking of trade volume, and intensified the political tensions that prepared the way for the second World War."

I feel that our deliberations must be directed towards an expanding economy, and, as I remarked before and I reiterate, I include in that expanding economy the right of everybody to work for his economic advantage and for his betterment. I feel that the Charter that we finally decide upon must necessarily be realistic and therefore must be

elastic and flexible. Otherwise, we run the risk of setting up a machine which will be so cumbersome and so cluttered up with restrictions and strings and tapes and require the pulling of so many wires that when we look back on it afterwards and history looks back on it afterwards it will be found that instead of producing something that was really worth while we have failed in the job that is our particular job as technicians, namely, the preparing of the blueprint.

I think there is a quotation ^{from} Tennyson to the effect that -

"The war drums throb no longer
And the battle flags are furled,
In the Parliament of man
And the Federation of the world."

I think we have a particular job, to set up a piece of that edifice. I recognise that it is not going to be a rapid process. It is going to be very slow, but I recognise at the same time that although it may be slow in terms of our lives it is going to be wondrously fast in terms of history.

Thank you, Mr. Chairman.

THE CHAIRMAN: (Speaking in French: interpretation): I thank the delegate of the Union of South Africa, and I call upon the delegate of the United Kingdom.

MR. H. A. MARQUAND:

MR. H. A. MARQUAND (United Kingdom): Mr. Chairman, when he welcomed the delegates to this Conference Sir Stafford Cripps described the attitude of the United Kingdom Government to the problems of the restoration and organisation of international trade. There is, therefore, no need for me to repeat that explanation. Having heard the views of the other delegations, however, there are some words which I should now like to add.

The British Government is basing its whole economic policy upon the belief that it is possible by wise planning to establish a high and stable level of employment. Some of the basic ideas behind that policy were contained in a White Paper on Employment Policy which was issued in 1944. At that time there was a Coalition Government in this country. Consequently, both the major political parties in Britain are committed to the support of the principles laid down in that White Paper. I will read an extract from the White Paper which has special relevance to the matters which we are now discussing:-

"A country will not suffer from mass unemployment so long as the total demand for its goods and services is maintained at a high level, but in this country we are obliged to consider external no less than internal demand. The Government are, therefore, seeking to create, through collaboration between the nations, conditions of international trade which will make it possible for all countries to pursue policies of full employment to their mutual advantage."

And then in another paragraph the White Paper says:-

"A country dependent on exports, and relying largely, as we do, on the export of manufactured goods of high quality, needs prosperity in its overseas markets. This cannot be achieved without effective collaboration among the nations. It is, therefore, an essential part of the Government's employment policy to co-operate actively with other nations, in the first place for the re-establishment of general economic stability after the shocks of the war, and, next, for the progressive expansion of trade."

I would like to emphasize again that that is a document common to both the major political parties in this country. Now when the war ended we had a very full opportunity of discussing with the Government of the United States of America ways and means of restoring and expanding international trade. After those discussions had taken place the Government of the United States of America published their proposals for the establishment of an international trade organization. When they were published, the two Governments, the Government of the United Kingdom and the Government of the United States of America, made this statement:-

"These proposals have the endorsement of the Executive Branch of the Government of the United States and have been submitted to other Governments as a basis for discussion preliminary to the holding of such a Conference. 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."

Since then we have been able to hold brief separate discussions on these proposals with the Government of India and the Governments of the Dominions. During these recent days we have heard for the first time the considered pronouncements of the Governments of other nations represented here.

Now I noted with interest and warm approval the praise and thanks which all the delegations extended to the Government of the United States for the initiative which it has taken in formulating proposals and a draft Charter. As I have said already, we are in full agreement with the important points contained in the proposals. We

were not parties to the drafting of the Charter, but like other delegations we find it a useful, a helpful document, which will aid us in our detailed discussions during this Conference. It is apparent from what we have heard that these questions are not simple; that many difficulties will appear as we go into details; but the difficulties are small indeed compared with the dangers we incur if we do not set up an organization.

I was much impressed by the clear warning given to us by the delegate of the United States of America when he said that very large countries like his own, with abundant natural resources, could probably survive a failure to gain international agreement on these matters, but that for the rest of us failure would spell catastrophe. I agree very strongly indeed with that view.

I was glad, too, that he stated so clearly his conviction that the differences in economic philosophy which do exist between us need not prevent our collaboration in the effort to establish an international trade organization. We certainly agree with him about that.

The delegate of India appeared to have some doubts about this. I would like to assure him that the present British Government would not have agreed to the proposals if they had involved any commitment to abandon our political principles.

Well, Sir, already we have gained the gratifying impression that, though there is a difference of emphasis, there is such a wide area of agreement on principles and aims that the differences of detail can be overcome. We agree that though the freeing of trade and the reduction

of barriers are essential to secure prosperity for the peoples of the world, they are not by themselves sufficient. Thus we are in sympathy with the delegates from Belgium and Luxembourg, Brazil, China, and I dare say with others who may have made this point also, but those are the ones I noted. We are in agreement with them that more than negative decisions are required from this Conference, and thus we have great sympathy with the Australian plea that constructive suggestions should be put forward. In Committee we shall ourselves endeavour to do that and to bring forward constructive proposals, to which we have given a great deal of thought.

On this general question of the industrialisation of the countries not so fully developed as some of our countries are, I would like to say to the delegates of China and India and Latin-America, the Lebanon, that they will not find us without sympathy for their point of view. We have great experience in these matters and we would like to make it available and place our experience at their disposal. And there is one piece of experience which I can assure them we shall never forget. King George III a very long time ago tried to prevent an undeveloped country from becoming more diversified in its economic structure, and the result of that is the slight division which separates us this morning!

Sir, the delegates from Canada and Czechoslovakia have indicated that this is an occasion for the study by experts of the detailed implications of a policy of international trade organization; that it is not an occasion for Governments to decide whether or not they will set up an international organization; it is an occasion

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for the experts to consider the implications of that and advise upon it to the Economic and Social Council. We very much agree with that view of the purposes of this Conference. We are convinced that it can do its work only by detailed discussion among experts. We do not want to prolong this stage of discussion too much. It already does seem to us quite a long time since we first entered into these discussions with the United States of America. It is nearly twelve months since these proposals were published, and we are beginning to feel that it is time that somebody got a move on and that an organization was brought into being.

We do not want to delay.

We do not want to delay. Therefore I think we want, in a final word, to say to the Conference: Let us now get down to work; because these detailed discussions must go on; they must be pursued with rapidity, and they must have all the intelligence and all the attention we can bring to bear upon them. (Applause.)

THE CHAIRMAN (speaking in French - interpretation): Gentlemen, the period of exposition has now come to an end. I am happy to note, as we have all noted - and it has already been mentioned by several of the Delegates, particularly the Delegates of the United Kingdom and of the Union of South Africa - that there is no real opposition between the different and divergent points of view. The divergences really underly mostly the accent and importance to be placed upon and given to the different questions, in that some of the Delegations have placed special importance upon certain questions, while other Delegations have attached particular importance to certain other questions. On the whole, however, we are all agreed; we want to study the same questions and we all want to agree and understand one another. This is a good sign for the end of our work. If no other Delegation wishes to speak at the moment, I shall declare that this public meeting should rise, and I shall invite the heads of the Delegations to meet with the Officers and myself in 10 minutes in one of the rooms of the Subcommittees. Does any one of the Delegations wish to speak? There is something Mr. Wyndham White wishes to announce.

THE EXECUTIVE SECRETARY (Mr. E. Wyndham White, UK): Before the Committee adjourns, I would just like to carry through one piece of formal business. That is the approval of an amendment of the rules of procedure which is made necessary by the decisions taken in the Executive Committee about the attendance at the various meetings of the Committee. The corrections are contained in a document which was circulated to the Committee yesterday as corrigendum of document E/PC/12. The amendment refers to Rule 47, which deals with the records of the meetings. The effect of the amendment is that verbatim records of all public meetings shall be freely available to the public; but the verbatim records of private meetings shall be available to all members of the

United Nations and to the specialised intergovernmental agencies. I should be grateful if the Committee would approve the amendment of Rule 47 in that sense.

THE CHAIRMAN (speaking in French - interpretation): Gentlemen, are there any remarks on the subject of Mr Wyndham White's proposal? (after a pause:-) Then the new text is hereby approved. Gentlemen, the meeting is closed. We shall meet again in 10 minutes and I shall expect the heads of all the Delegations in the Subcommittee room 143.

(The meeting rose at 1140 o'clock.)
