

UNITED NATIONS

NATIONS UNIES

ECONOMIC
AND
SOCIAL COUNCIL

CONSEIL
ECONOMIQUE
ET SOCIAL

E/PC/T/PV.2/4.

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

VERBATIM REPORT

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FOURTH MEETING

HELD ON MONDAY, 14th APRIL, 1947
AT 10.30 a.m. in the PALAIS DES NATIONS,
GENEVA.

M. MAX SUETENS (Chairman) (Belgium)

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CHAIRMAN (Interpreted): We will take up again the discussion of a general character. I now call on the Delegate of Chile.

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M. Angel Faivovich SITCOVICH (Chile) (Interpretation): Mr President and fellow delegates, at the beginning of this second phase of work entrusted to the Preparatory Committee for Trade and Employment of the United Nations, the Chilean delegation which represents a country, the economic and industrial development of which is still in its beginning but which is proud of its political and constitutional structure, my delegation is glad to restate its willingness to contribute to the best of its ability to the success of this Conference, the object of which corresponds entirely to the policy which Chile has pursued in the field of international relations.

At this time in the history of the world, there is no economy which could survive independantly, nor can there be any strictly national economies. On the contrary, the increasing inter-dependance between peoples leads them towards solidarity of their interests, and towards the organization of world economy, which is to further polictical peace between nations.

We agree, consequently - and we have stated this opinion at the London Conference - to contribute to the gradual elimination of any obtaoles which are in the way of the policy outlined by me. But it is necessary, we feel, to approach this goal gradually and to base it on a mutual understanding between nations. For those countries, more partiularly for those whose economy is undeveloped it means as a necessary basis of such policy a gradual increase of their industrial position in order to satisfy the real legitimate and permanant interests.

We feel equally that the success of the International Trade Organiation is intimately linked up with the efficient functioning of the numerous international organizations which

have recently been set up and which are in close touch with the financial, commercial and economic development of nations in the world. The adequate functioning of this system of international agencies would gradually bring about full employment, which is one of the aims of our future organization, and it would afford the working classes in the world conditions of life compatible with human dignity.

The fundamental problem of Chilean economy, and I believe this is equally true of many countries, is to increase its production capacity in its various aspects in order to obtain a permanent equilibrium of its balance of payments, thus increasing the purchasing power which the country has for her purchases abroad.

For Chile, exports constitute the essential element of its economic life, since they afford for the country means of payment for purchases abroad, and consequently determine the volume of its imports and enables it to live up to its international organization, and in the long run this is the decisive factor of its monetary stability. These Chilean exports are constituted in their major part by raw materials and imply that prices paid for such goods are remunerative and not subjected to fluctuations on the international market. If this was not so, it would be impossible for us to bring about the equilibrium of our balance of payments and to achieve an adequate capitalization for the future development of the national economy.

Imports in Chile are not seriously hampered by customs tariffs. The main difficulties which we have experienced in our country, which needs to import considerable quantities of foreign goods which are urgently needed for the economic development

of our country, is the increasing rarity of foreign exchange, which has been made more acute by the constant rise in prices of our major imports. We note with pleasure that the proposed Charter recognizes that under certain circumstances it may be possible for certain countries to apply transitory measures. We feel, furthermore, that besides these measures there may be other measures of a broader nature which could be applied at certain times without necessarily violating the basic principles of the Charter. We wish to refer more particularly in this respect to the most-favoured-nation clause which is, in the proposed Charter, known by the term expansion of neighbouring countries.

We agree that the equality of treatment must be established as an indispensable condition for the expansion of international trade, but we feel also that in certain circumstances the economy of yet undeveloped countries may join and be amalgamated so as to form the first phase of their industrial development, and afford to the other countries a mass of economies which would afford a solid basis. This exception, as far as America is concerned, anyhow, is not only on a firm economic basis, but it is also good geographically, politically and historically, as its basis, which one cannot ignore. If it is true that it is not advisable to destroy existing unions, whether political or economic, it is equally true that one cannot refuse beforehand any tendency which may exist towards the formation of new economic units, the ultimate goal of which would be a Customs union.

We have accepted to take part in the multilateral negotiations in order to show our intention to co-operate in all efforts which may be made to find an equitable solution to all problems which exist in the domain of international trade. We feel, however, that in pursuing this aim, one must not lose sight of the necessity for certain countries to develop their production, and more particularly their industry, and this applies more particularly to the countries which are as yet insufficiently developed. If this was not applied one would obviously bring about in the world a system of inequality between those countries already highly developed, and those still undeveloped. We have thought it necessary to explain very clearly our point of view in respect of the problems which are brought before this Conference because we feel that both the Charter and the multilateral treaty must contain just and equitable principles which will guide international trade in future. If we recognise those principles we will do justice to the will of co-operation between the countries here represented and will make it easier for

other countries to join us in our common effort.

CHAIRMAN (Interpretation): I now call on the First Delegate from India.

THE HON. Mr. I.I. CHUNDRIGAR (India): Probably in no country has the work accomplished by the Preparatory Committee at its first session evoked greater public interest than in India. With the basic idea of an international charter for the regulation of commercial policy there has throughout been in my country deep and genuine sympathy and appreciation has been spontaneous of the inspiring lead given in this, as in other sectors of the economic and monetary fields, by that great and distinguished country, the United States of America.

By our standards, however, earlier versions of the Draft Charter suffered from undue rigidity and a certain narrowness of outlook, and opinion in India has been insistent that an International Commercial Charter, if it is to be of permanent value, should, whilst providing an enduring basis of international collaboration, be flexible enough to enable all countries, whatever their size, degree of economic development or political importance, to attain to their full economic stature.

In the recognition of this principle - a principle to which underdeveloped countries attach special importance - lies, I believe, one of the outstanding achievements of the first session, and the Draft Charter, in the form in which it is now being presented to us is all the richer for the incorporation in it of the new chapter on Industrial Development. The economic development of the less advanced countries is no longer to be the exclusive concern of responsibility of those countries but is to be an international obligation. The removal or reduction of trade barriers, however essential to the expansion of world trade, is only one aspect of the problem confronting us, the more positive and constructive aspect being to promote development both as an end in itself and as a means

to increased trade. With this new understanding, the I.T.O. will find its proper orientation, not merely as a sort of international policeman, watchful of the conduct of countries in their observance of accepted regulations, but fulfilling a positive role as a guide in the developmental programmes of countries seeking its help. This is not to say that perfection has been imparted to the draft Charter. Far from it - there are still a number of divergent views to be reconciled and conflicting aims to be harmonised, but the signal success achieved at the London Conference encourages me to hope that we shall be able at this, the Second Session, to settle all outstanding issues in a spirit of sympathy and understanding.

I am anxious that our advocacy of the cause of under-developed countries should not be interpreted to imply that we are wedded to a policy of blind protectionism. The old theory of "once protected, always protected" has had no application in India. Though the relevant criteria have varied from time to time, there has always been a considerable element of selectivity in the choice of industries to be protected; more important still, decisions on the quantum of protection to be granted and the period of protection have been based on the findings of semi-judicial enquiries. It is worthy of note that we are now, without seeking counter advantages from other countries, contemplating the withdrawal of protection from certain of our major industries. I say this merely to emphasise that the protectionist policy we have in view is a sane and rational one, designed to safeguard our legitimate interests, and not to suggest that we can dispense with tariffs or with other necessary aids to protection. Tariffs are in any case essential to India for revenue reasons, while she may on occasion find it necessary to have recourse to other forms of protection if they prove to be on the whole less

burdensome to the interests affected and to the community at large. Nevertheless, we shall approach the tariff negotiations in a practical friendly and constructive spirit, though we hope it will be appreciated that inadequately developed countries may not be able to offer tariff concessions to anything like the same extent as the fully developed countries, and especially those with high tariffs, can and should. India to-day is entering on a new, and what we Indians all fervently hope will be a glorious chapter in her long history. We know that the thoughts and good wishes of all our friends, and especially of those with whom we have for long been intimately associated, are with us; but we know, too, that our future is now for us alone to fashion. Great and urgent tasks await us, not least in the economic sphere. Our masses have for long lived in squalor, poverty and ignorance. To make life more tolerable for them, in a material and social sense in particular, is one of our immediate objectives. Translated into terms of human effort, this means the undertaking of a scheme of economic development on a scale never before attempted or thought of in my country. At no time, therefore have we felt more acutely than now the need to retain in their plenitude the economic powers that we are now free to exercise. Nor, when saying this, can we be accused of taking too parochial view of our responsibilities, for who shall deny that service to four hundred million human beings is service to all mankind?

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Nor, when saying this, can we be accused of taking too parochial a view of our responsibilities, for who shall deny that service to four hundred million human beings is service to all mankind? We are, nevertheless, deeply conscious of the fact that we are of the world, not apart; faith in international co-operation is almost traditional with us; and we realise, none better, that economic prosperity, like peace, is one and indivisible.

Therefore, consistent with the obligations that we owe to our own people, we are prepared, and indeed are anxious, to make our full contribution to the creation of a better world economic order. It is in this spirit that we of the Indian Delegation shall enter upon the discussions that are about to begin, and we are confident that with so much goodwill displayed on all sides towards the common cause, the united labours of the Nations represented at this Conference will not be in vain.

CHAIRMAN: (interpretation) I now call upon the representative of the International Chamber of Commerce.

MR. WALLACE B. PHILLIPS (International Chamber of Commerce) Mr. President and Gentlemen, as a representative of the International Chamber of Commerce, it is again my privilege and pleasure to address the Delegates to this Preparatory Committee.

In the course of the last Session of the Economic and Social Council, the President of the Council reaffirmed the conviction of the leaders of the United Nations that both the advice and the support of non-governmental organizations were indispensable to the successful operation of the official organs of the United Nations. The International Chamber of Commerce is therefore glad to offer its views to this important meeting, for its success will be a vital factor not only in the future development of the world economy but also in the establishment of an enduring peace.

Following the London meeting, many technical committees of the International Chamber working in a number of countries devoted much study and thought to the conclusions that had been reached by your committee. The men comprising these committees are among the great business leaders in their respective countries and are all deeply concerned with and desirous of seeing

the earliest possible resumption of international commerce freed from the tiresome and restrictive rules that are still the order of the day.

The results of the study of these combined committees were collated by our economic staff in Paris and have resulted in a considered document approved by the Executive Committee of the International Chamber of Commerce, which document has been submitted to you, through the Secretariat, for consideration and such action as may be deemed pertinent.

We have taken the liberty to comment on and discuss at very considerable length many of the articles in the draft Charter in some cases expressing completely divergent views and in other instances suggesting additions; in the case of capital movements and conciliation and arbitration we have ventured to outline a new approach to these questions.

The International Chamber's full report is based upon three fundamental postulates. First, the objectives we all share of higher standards of living and greater welfare for the peoples of the world can be attained only if there is a considerable expansion of international trade. Second, this expansion is possible only if the international movement of goods and capital is allowed to develop with maximum freedom on a multi-lateral basis. And last, but by no means least, the full expansion of trade and economic activity can be achieved only if the widest possible scope is given to the energy and initiative of the individual producer and trader.

In the contacts which the officers and members of the International Chamber are privileged to have with many of the Delegates here assembled, we have gained the impression that it is the desire of the Economic and Social Council, as well as of this Committee, to encourage the Chamber to make suggestions that are constructive and can contribute to your deliberations. It is with this thought in mind that the International Chamber of Commerce is submitting its report which expresses a consensus of industrial, commercial and financial opinion in more than thirty countries. This collective thinking may, we hope, offer suggestions that you will find acceptable.

The International Chamber, as an organization, has no concern with the details of the confidential tariff negotiations that are about to commence, but its membership has a deep concern in their success and hopes that the movement of goods and capital will be thereby freed from the burdensome restrictions

under which they are at present laboring.

During the course of this Conference the International Chamber will maintain a liaison office in Geneva with its Assistant Secretary General in charge, assisted by an experienced economic adviser. These representatives, as well as leaders of the International Chamber, will be available for consultation throughout the Conference.

In conclusion, may I thank you, Mr. President, for having afforded me the opportunity to address the Conference and to make these few explanatory remarks, and may I express the International Chamber's heartiest good wishes for your success in establishing the Charter of a vigorous and effective international trade organization.

E.

Mr. MOUSA MOUBARAK: (Lebanon): The Lebanese delegation of which I have the honour to be the President, is glad first of all to congratulate all members of this Preparatory Commission on Trade and Employment in the results obtained at London and New York. All delegations represented here in this Preparatory Committee have shared a responsibility in the success achieved so far. In view of its geographical position at the cross-roads of communication between East and West, Lebanon is, by its very nature, a country of In all times Lebanon has been in favour of freedom of commerce and development of exchanges. History tells us that our forefathers have been first navigators and also pioneers in international trade. It is consequently fitting and normal that we should be in these modern times also in favour of free trade. Exceptional circumstances have, at certain times, made it difficult for us to follow this policy in all its lines. We are consequently favourable in principle to world international co-operation which would tend to liberate trades in the world and do away with existing restrictions.

One should however recognise that it would be necessary for a young country, a still undeveloped country such as my own, to take up when the time is come the modality of application of certain of the clauses contained in the proposed text. I should like however to make it perfectly clear right now that it would not be possible for a country like mine to change rapidly the existing system of our economy. A period of transition seems to be indispensable for us, all the more as modern economy implies a constant and careful control by the state authority over such economies. I fully understand the legitimate concern of certain chiefs of delegations who consider it worth the utmost care, the

total and immediate adoption without any reservation of all the measures which have been contemplated by the Preparatory Committee. For some time to come Lebanon will be obliged to follow the policy of prudence which I have outlined and this will be done in order to ensure the equilibrium of our balance of payments by the power of our currency and in order to enable us to give a sufficient amount of foreign exchanges for the needs of our national equipment.

The Lebanese delegation is convinced that the transitory measures far from hampering the interests of United Nations will contribute to improve their situation, for their main object is to contribute to the development of the Lebanese market, and will consequently increase the purchasing power of my country. One of the aims of the Charter of the United Nations is to contribute to the economic development of its members and to favour the raising of the standard of living of all the people. This development however, has not reached the same degree in all countries. It is consequently in the interest of the Nations which have not yet achieved a certain degree of economic development, to be able to reach it gradually and thus to contribute to the well-being of their populations.

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Thus we will contribute not only to increasing the purchasing power but also to maintaining the economic stability which is the basis of a lasting peace.

I wish to thank this meeting for having admitted the participation of Syria to the work of the Preparatory Committee, taking into account the fact that Syria is part of the customs union which exists between the Lebanon and that country. I hope sincerely that the participation of Syria in the work of this Preparatory Committee will contribute to the ultimate success of our tariff negotiations. Lebanon is linked to Syria by a customs union based on the mutual respect of our countries and the independence of those two countries. We have joined this Conference in the hope of being able to contribute with loyal co-operation to the success of this Meeting. I hope this will be taken into account in our negotiations on certain final considerations due to the fact that in our two countries receipts from customs duties still represent one of the main sources of our budgets. In the same way the necessity for us to protect a certain number of goods of our young industries will be a guiding principle in the negotiations which our two countries will conduct here. I must point out the legitimacy of this principle has been recognised by the London Conference in the draft charter of the International Trade Organisation. Finally, our close contacts with all other Arabic countries and other countries in the Near East make it compulsory for us to interpret loyally to them the wishes of members of the United Nations in this part of the World. We know that we may count on your spirit of co-operation to appreciate the difficulties of our task and the peculiar problems with which we are faced in our part of the world. We have started on a work of primary importance. The success of our work depends on the degree of loyalty and mutual understanding which is shown.

Lebanon for one is prepared to co-operate with all of you sincerely and firmly.

CHAIRMAN(Interpreted): I now call on the First Delegate for Cuba.

MR. I. Sergio CLARK (Cuba): Mr. Chairman, Ladies and Gentlemen, We are about to enter into the more advanced stage of the work that we commenced in London almost six months ago. This Second Session of our Committee will probably be more laborious and complicated than the first - I purposely avoid using the word difficult. But I am certain that all will agree that the fruits that we shall reap if we succeed - and we must succeed - will amply justify our efforts.

We have travelled a long and most promising road since the original "Proposals" were first put forward by the American Government. The daring and brilliant work done by our colleagues from the United States was completed and improved by the contributions made by everyone of us in London.

From that meeting there came out a document - further improved at New York - which is more comprehensive of the problems we are dealing with, has a better balanced and a more realistic approach to them, and offers a much more workable instrument for the attainment of our common goals, namely, an expanded world trade, a fuller degree of employment in all countries, and a fuller and better balanced economic development of those countries which have not reached, as yet, the degree of industrialisation which is essential to the well being of their people.

It is a most important, in fact, an indispensable condition for our success here, that the tariff negotiations we are going to undertake, be carried out with the same spirit that prevailed at the London meeting, the spirit which alone made possible the high degree of agreement we were able to reach there.

We believe that the negotiations we are about to begin will be the test as to how real and sincere is the agreement on principles we have already reached, a test as to whether the International Trade Organisation can actually be set up to govern the economic relations of our countries. For the time has now come to put to actual work a very important part of the principles that we have in general accepted, and of the rules that we have generally recognised as just and suitable to govern our commercial and economic intercourse.

For my country, so very largely dependent for its well-being on a prosperous and expanded world trade, the stake is very great. During the last few years we have expanded our foreign trade to a considerable degree, making a most vital contribution to the efforts of the United Nations in the conduct of the war, and satisfying a considerable part of the world demand for many products. Today we are the largest sugar-producing country and we also export great quantities of the best tobacco that is consumed in the world. On the maintenance of our exports of sugar, tobacco, alcohol, molasses, cordage, minerals and a diversity of industrial products, depends to a very large extent the standard of living and the degree of employment of our population.

Cuba depended principally on her own domestic industrial production during the dark days of the last war. The severe hardships suffered by our people during the deflationary years of the thirties, and those they are still suffering today, have forced the Cuban people to diversify agriculture and increase industrialisation. Today Cuba produces not only sugar and tobacco: we are growing substantial amounts of fruits, vegetables, grains, milk and dairy products, poultry and various other food-stuffs. Our industries of shoes, leather goods, textiles and others, satisfy today a very substantial portion of our domestic demand.

This second recent development in our economy we are

necessarily determined to preserve and to foster. In our case, this determination springs not from a desire to reduce our foreign trade, nor to curtail the imports from other countries. We shall always need to import a great diversity of manufactured products and raw materials. Besides, our experience shows that our internal development fosters the exchange of goods with other nations instead of reducing it. The development of a more diversified and better balanced economy is a condition for the economic stability of our country and for the attainment of a fuller and a more stable employment. We sincerely feel that these two different aspects of our economic development are not contradictory to each other, and far from contradictory to the principles of the Charter we have almost completely drafted.

We have one of the lowest tariffs of all countries represented at this meeting, and we are not here in a spirit of betrayal of our liberal traditional policy in the conduct of international trade. We feel that we can fully make our contribution to the common goal. But we very definitely expect that our contribution be rightly understood and appreciated, taking into consideration all the aspects of the problems and needs that we have, that is to say, honouring, in the actual negotiations, the principles and rules embodied in the Charter as a whole. We very strongly feel that in order to give those principles more meaning and to make them more effective, it is necessary to expand Chapters III and IV of the Draft Charter setting up specific rules for the implementation of the principles there stated. It is also essential that the General Agreement on Tariffs and Trade contain, to the largest possible extent, the principles embodied in those two chapters and the rules that we suggest should be drawn to implement them.

If the spirit of the Draft Charter is observed by everybody here present, in the conduct of the negotiations, and in the drafting of the General Agreement on Tariffs and trade, I am certain that we will succeed in our task. Our efforts and even sacrifices to achieve economic stabilisation and security will stand the test of comparison with those that can be made by any other nation. But no country should think that it can sell to others without buying from them, nor that it can achieve and maintain high levels of employment and standards of living, without giving the others the same opportunity.

It is necessary to put an end as rapidly as possible to the inflation scaring in all countries. If the United Nations cannot defeat the present inflationary trend the inflation will defeat our goal of economic peace and security. In a world so interdependent as we live in, no nation could escape the disaster that would follow should we fail in our task. To the success of that task, so vital for the future of all the people of the world, I pledge, in the name of Cuba, the best and untiring efforts of our Delegation. Let us set ourselves to the task with faith and decision.

CHAIRMAN: I now call on the chief of the Brazilian delegation.

H.E. MINISTER ANTONIO DE VILHENA FERREIRA BRÁZA (Brazil) (Interpretation)

Mr. President, the importance which Brazil attaches to the Conference on International Trade and Employment is well evidenced by the reference to it contained in the recent message of the President of the United States of Brazil at our National Congress.

The Brazilian government is convinced that the object of these meetings will be to establish such rules as to enable us to free international trade of all obstacles, whether official or private, which have hampered it until now. We are equally convinced that all the nations represented in this meeting of the Preparatory Committee will do their best to devise such means as to enable each country to unite to the fullest extent possible their means of production and to increase the standard of living of their populations.

The Charter of the International Trade Organization, which it will be our duty to frame, will probably also contain certain basic principles which should guide international relations in the sphere of trade and commerce and will also contribute to establish the basis of an international economic system in which the interests of all countries will be finally organized.

Our co-operation in order to achieve this aim has already been reaffirmed and restated by the Brazilian delegations which have taken part in the previous meetings of this conference. I am particularly glad to be able, at this opening session of the conference, to recall the valuable contribution which the United States of America and the United Kingdom have

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made to our common efforts by their preparatory studies and their discussions on post war economic problems.

The Brazilian delegation considers that the results of the negotiations which have taken place in London, and of the meetings which have since taken place in New York, justify the full confidence of all the delegations here represented in the final success of our work.

The Brazilian delegation feels that the improvement of world economy depends to a large extent on the agreements which we will be able to conclude here. The development of trade currents is a factor of the essential importance for the prosperity of the nation and the fundamental basis of lasting peace.

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We feel, furthermore, that the reviving of world economy and the guarantee of full employment is closely linked up to the problem of the development of yet undeveloped countries. The more these countries will be able to develop their economies the more the already developed countries will be able to develop their exports. The economic interdependence of nations is demonstrated by the mere fact that the solution of the problems of under-production and unemployment will not be possible as long as the purchasing power of the other countries is not increased.

This establishes the necessity for sincere and complete co-operation between all nations of the world. In the long run, the final problem will always be to increase purchasing power both of the highly developed countries and of those which are not yet developed. Brazil, which is a country which supplies mainly raw products and basic products, and the foreign trade of which represents a large portion of its purchasing power, is fully aware that all these problems have been already considered by the London Conference. Let us hope that at our Geneva meeting the consideration of these problems will be still improved and developed. Negotiations concerning tariffs constitute one of the main pieces of our whole machinery. As regards this question I should like to note that Brazil has already gone forward in the way pointed by this Conference. Brazil's tariffs, in fact, have not been increased during the war and the depreciation of her national currency has had as a result that these tariffs have gone down. Consequently and conforming to the principle which provides for the mutual concessions which we are here to negotiate, we reserve the right for us to adjust our tariffs until such point where they would not imply a of our tariffs. Mr. President, we have gathered to work for the future; the result of this Conference depends to a large extent the progress of the nations and the advance of civilisation.

CHAIRMAN (Interpretation): I wish to inform the meeting that as there are only two speakers left on my list, and that all of us are anxious to complete our discussions this morning, we shall continue until those two delegates have spoken.

I now call on the Head of the Czechoslovak delegation.

Mr. ZDENEK AUGENTHALER (Czechoslovakia): Mr. Chairman, Ladies and Gentlemen: We had the opportunity to listen until now to a series of very interesting declarations made by the Heads of delegations of different countries as well as of that made by the representative of the World Federation of Trade Unions. They have given us a quite comprehensive picture of different aspects of the problems we are faced with and of the views of different countries as they result out of their social and economic structure and I would add also out of conditions which are determining their internal and external economic policy. As I already had the honour to state in London, no country is entirely master of its international trade policy which is a result of a multitude of circumstances. One of those, of course, is the geographical position of a country. For instance, Czechoslovakia is a direct or indirect neighbour of some enemy or ex-enemy countries like Germany, Austria, Hungary, Rumania and Bulgaria and of important allied countries like Poland, Soviet Russia and Yugoslavia. It is quite clear that the economic situation and possibilities of those countries must be taken in account if we are formulating our own international trade policy.

May I now, Mr. Chairman, try to elucidate a little my view on the tasks which lie before us in this Conference. Some time ago I had an opportunity to visit a large telephone factory. A telephone is more or less an instrument enabling the free flow of speech - pleasant as well as unpleasant talks sometimes - and I sincerely admired the tremendous amount of human knowledge, intelligence and skill which had to be

accomplished before we get, as sometimes happens to us,^a wrong number. I could see how many installations and machineries are necessary before the free flow of speech can be materialised. It seems to me that something very similar applies to our work, which aims at developing as free and beneficial flow of goods among nations as possible. We shall need a huge amount of tact, mutual understanding, knowledge and skill to enable us to achieve our task and I hope that when this complicated machinery shall be completed we shall always get right numbers and not wrong ones.

Anyhow, I feel that here ends the comparison between the telephone and our work, because we have to deal with life itself, in all its social and economic forms. No doubt we are living in great times, when many things are changing around us and inside us and when even words and notions are changing their meaning. That is why in our view this flexible instrument cannot be substituted by any slogan, as attractive and simple as ^{it} may seem, and that any instruments which have to govern the relations between different States and types of economies must be elastic enough and adaptable to the evolving and changing world.

We are confident that it is possible, especially when all the present countries will put, as they did until now, into the work the great amount of knowledge, experience and goodwill they are presenting here. Czechoslovakia, for her part, was from the beginning and is to-day as well ready to do her best; when we were lately reintroducing the Czechoslovak custom tariff we did not use the possibility we had to adapt our custom duties to the present purchasing power of the Czechoslovak crown but we remained far behind our real pre-war tariff protection.

To the countries represented here, it means that their exports into Czechoslovakia are to-day charged by custom duties on the average less than one-half of the pre-war scale.

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As the Honourable Delegate for Norway, Mr. Colban, said in

his speech, neither will I spend any more of your precious time

because we think that the earlier we start our work on concrete

problems the more could be done at the present Session.

I.

CHAIRMAN: (Interpretation): I now call upon the Head of the United States Delegation:

MR. CLAIR WILCOX (United States of America): It is a matter of regret that the Chairman of the Delegation of the United States, Mr. W. L. Clayton, Under Secretary of State for Economic Affairs, was unable to be present for the opening of this meeting. He is now on his way to Geneva and should be with us by the middle of the week. The statement that I shall make, on his behalf, is brief.

In the speech which he delivered at Waco, Texas, on the sixth of March, the President of the United States made clear the great importance which he attaches to the success of this meeting. Speaking of the preparation of a Charter for an International Trade Organization, he said: "The progress that has already been made on this project is one of the most heartening developments since the war. If the nations can agree to observe a code of good conduct in international trade, they will co-operate more readily in other international affairs. Such agreement will prevent the bitterness that is engendered by an economic war. It will provide an atmosphere congenial to the preservation of peace." And speaking further of the negotiations directed toward the reduction of tariffs, the elimination of other restrictive measures and the abandonment of discrimination, the President went on to say: "The success of this program is essential to the establishment of the International Trade Organization, to the effective operation of the International Bank and the Monetary Fund, and to the strength of the whole United Nations structure of co-operation in economic and political affairs. The negotiations at Geneva must not fail." These last words may be taken as the message of the President to this meeting: "The negotiations at Geneva must not fail."

During the months that have intervened since the first meeting of this Committee, the Government of the United States has completed its preparation for the work that is about to begin. As a part of this preparation, it carried the London draft of the Charter to the American people and asked for their advice. In informal conferences and in public hearings, held in seven cities, testimony was received from some 250 persons representing business, labor, agricultural, consumer, civic and religious organizations from twenty states. This testimony

revealed a careful and sympathetic appraisal of the document and brought forth a number of thoughtful suggestions for its clarification and development. More recently, a committee of the United States Senate subjected the Charter to a detailed and painstaking analysis. And, in the course of this inquiry, additional suggestions for the improvement of the draft were made.

As a result of these suggestions, the American delegation is prepared, at the appropriate time, to present a number of proposals for amendment. All of these proposals, I may add, are in the spirit of the Charter and are consistent with the purposes upon which we are all agreed.

The other part of our preparation for this meeting has consisted of steps leading up to definitive negotiations on tariffs and other barriers to trade. It will be recalled that this Committee had agreed, at its meeting in London, upon the procedures that were to be followed at each stage of this work. At the first stage, each Member of the Committee was to "transmit to each other Member ... a preliminary list of concessions which it proposes to request...." This we have done. At the second stage, "each Member should submit a schedule of the proposed concessions which it would be prepared to grant to all other Members in the light of the concessions it would have requested from each of them." This we are now prepared to do.

The basis of these negotiations is set forth in the London Memorandum in the following words:

"Article 24 of the Charter provides that tariff negotiations shall be on a 'reciprocal' and 'mutually advantageous' basis. This means that no country would be expected to grant concessions unilaterally, without action by others, or to grant concessions to others which are not adequately counter-balanced by concessions in return."

It is on this basis that the United States is now prepared to proceed.

As soon as the Committee is ready, in accordance with the procedure upon which it has agreed, to enter into actual negotiations, whether they be on the text of the Charter or on the details of trade concessions, we shall be ready to participate. It is our hope that these negotiations will be initiated at the earliest possible moment and carried forward with the greatest

possible dispatch. We realize, of course, that the magnitude and the complexity of this undertaking are without precedent. But we know, too, that this Committee has already earned for itself a reputation for quiet industry, steady progress, and the prompt completion of an appointed task - a reputation that gives ground for confidence of achievement in the weeks that lie ahead.

CHAIRMAN: (Interpretation): Before we proceed with the translation of Mr. Wilcox's remarks, I would like to call upon the delegate of France who has, I understand, a declaration to make in the name of his Government - a declaration which may be interesting to everybody.

M. ROGER NATHAN (France) (Interpretation): France is struggling with great difficulties. However, she works as hard as she can, and she has the advantage of the vicinity of Switzerland. Therefore, in order to permit the delegations to have a better view of what France is doing, the Mayor of Lyons would be very happy to welcome the delegates on Saturday and Sunday next. Two special trains will be put at the disposal of the delegates and they will be able to spend part of the days of Saturday and Sunday in Lyons. Either on the way there or on the way back they will stop at the Venissieux Dam in order to inspect one of the new dams of France.

You are kindly requested to get into touch with the Secretariat of the French Delegation, Room 320, Telephone No. 23.77, if possible this very afternoon.

J/K.

CHAIRMAN (Interpreted): As already announced, we will now suspend the course of our public meetings. The Commission will meet at an early date and you will be informed of the date when that will be possible, to take into consideration Point 5 of our Agenda, in Executive Commission.

The meeting is adjourned.

The meeting rose at 12.45 p.m.