

UNITED NATIONS CONFERENCE ON TRADE & EMPLOYMENT
Department of Public Information
Havana, Cuba

Hold for Release
Not to be used until Delivery

Press Release ITO/185
March 20, 1948

ADDRESS OF CHIEF CANADIAN DELEGATE TO THE FINAL
PLENARY SESSION OF UNITED NATIONS CONFERENCE ON
TRADE AND EMPLOYMENT

Mr. Chairman:

We have now, after four months of arduous work, completed the final stage in the ambitious program of writing a Trade Charter and drawing up the blue-prints for an International Trade Organization. We the law-makers, the architects and draftsmen must now give way to the engineers and builders to convert our plans into steel and concrete. Their task will be difficult, perhaps more difficult than ours has been. If that is so, it is not because we have shirked our responsibility, or failed to plan as sound a foundation as the circumstances permitted.

Every stage of our efforts has been dogged by the hard facts of reality. The scheme was conceived in the midst of the most devastating war in the history of man. The Charter itself has been drawn up in the midst of a confused and troublesome post war period, in which even the extreme pessimists underestimated the degree of dislocation and devastation which the war has left in its wake. Fear and suspicion, which always accompany such periods, have not provided the most favourable atmosphere in which to work.

Our product no doubt reflects that underlying uneasiness and frustration. It may be too early to evaluate the significance and worth of our achievement. More so because we may be too close to the details to observe with clear perspective the broad design of the structure. History alone will be competent to judge accurately the significance of our efforts in terms of the actual events of years to come. Within these limitations let us reflect for a moment and evaluate what we have accomplished.

Of one fact I am certain, We have taken the right road,— the road of international cooperation. The most inspiring fact that emerges from all our deliberations these many past months is that, in spite of the many divergent viewpoints on almost every single topic that came under our surveillance, no nation represented ever once questioned the basic major premise, that the solution to our economic problems can best be reached by concerted international co-operation and action. If we had provided nothing more than one simple rule; that nations would not resort to unilateral action based on egoistic nationalism, but would attempt first to reach a mutually satisfactory solution based on international collaboration; if we had created nothing more than a simple institution to serve as an international forum where nations could gather to discuss their problems and seek a common solution to their economic ills,— then our work would have been justified. We have certainly achieved this irreducible minimum— and we have achieved a great deal more.

We have succeeded in reaching a broad and general agreement on a code of laws governing every aspect of international trade, including the closely related fields of employment and economic development. Nothing so comprehensive and complete has ever been attempted, let alone achieved, in the past. International conferences have in the past failed to reach agreement on small segments of the broad field that the Havana Trade Charter encompasses. We would be blind not to see clearly that this is a magnificent achievement.

In many respects the Havana Charter is a superior document to the Geneva Draft or any previous drafts. Though it has become more complex and lengthy, it is more complete and realistic, more likely to work in practice. These improvements are due largely to the added wisdom and experience of the many delegations that were not represented in the preparatory sessions, and which have here given so diligently and generously of their best efforts. In other respects the Havana Charter is a weaker document than any of its predecessors, containing more qualifications and provisions for escape than the Canadian Delegation would have liked to see

incorporated into a Charter for an International Trade Organization.

In some instances the imperfections of the Havana Charter can be traced to the incomplete consideration which has been given to the ramifications of the various problems. In our view the provisions dealing with the treatment of international investments suffer from this defect of immaturity. It is a matter of some regret that the necessary studies of the intricate problems involved in the treatment of capital movements could not have been undertaken before this Charter assumed its present form.

It became obvious at an early stage in the preparatory work, but more so here at Havana, that a code of laws governing trade, broad enough to cover the wide variety of economics, levels of economic development, and physical conditions of the entire world would unavoidably be a complicated document, containing many exceptions to meet peculiar situations.

It became clear that the disorganization and dislocations of war would not lend themselves to unrestricted multilateralism without a reasonably long transitional period in which the exception rather than the rule would prevail for many countries. It became clear here at Havana that international fears and suspicions in the economic sphere were no less prevalent than in the political sphere. These would not be allayed overnight; in the meantime the surrender of rights, which until now have been regarded as falling exclusively within the national prerogative, would not be made without broad qualifications. These considerations made it impossible to reach general and substantial agreement without incorporating numerous qualifications and escapes into our "book of laws", which limit, modify, and qualify the basic rules and principles.

I would be less than frank, Mr. Chairman, if I failed to state unequivocally that the Canadian Delegation

experiences considerable concern over some of the provisions for escape that have been incorporated into the Havana Charter. There is the danger that the transitional provisions designed to bridge the gap between chaos and order in a smooth and realistic manner, if not resorted to with great caution, will tend to freeze current trade practices into a permanent pattern, obstructing the road back to multilateralism.

There is a greater danger that the nontransitional exceptions will become the operative provisions for so wide a group of countries, that the effect will be to negate the principles themselves. If the provisions for escape are regarded and treated as a means of meeting exceptional circumstances, no great harm will be done. If they are employed broadly and indiscriminately the organization will not long endure- for no nation can remain bound by laws restricting its freedom of action while others remain unilaterally free to damage and abuse it. The Havana Charter is a flexible document, based on a bold compromise.- It is a realistic document facing up to the hard facts of economic life in the world around us. There are great advantages to a flexible and practical approach, which is more likely to prove successful, than a more rigid if purer approach. We would be falling short of our duties however if we underestimated the dangers involved. Temperance and co-operation, altruism and mutual goodwill, will be needed in large doses, if the fruits of our efforts are to become a reality. If not abused, the Havana Charter should form an adequate basis for an effective organization.

Good laws alone do not make good citizens. Nor can a Trade Charter, no matter how perfect, ensure that member states will act in accordance with a code of laws in their economic behaviour. How much more true is this when one commences with a flexible Charter. I firmly believe that the success of the venture will depend more on the organization and the co-operation of the member states than on the Charter itself. We have placed heavy responsibilities on the organization, perhaps heavier than a new organization can reasonably be expected to fulfill. This will depend on the member states. I am

certain that, if the same spirit of goodwill and mutual accommodation, that made possible the broad agreement achieved here in framing the code of laws, is shown after the Organization is set up,- there will be no danger that the infant Organization will break down under the great weight of responsibilities and functions that we have thrust upon it.

Mr. Chairman,- In conclusion I want to say that the Canadian Delegation proposes to recommend the Havana Charter to the Canadian Government for its acceptance. Though there are several aspects of this Charter with which we are not entirely happy, we do not enter any reservations, for we recognize that the very nature of a compromise is that no country can be fully satisfied with every aspect of the compromise.

The minds of men are today concerned with the pressing problems threatening to engulf the world in new and more serious difficulties. While we were busy writing the Charter for a return to multilateralism, the world has continued to drift into economic and political blocs. The ITO alone cannot solve the present difficulties- for it is essentially an effort to provide the long-time solution to our economic ills. At the same time unless a sound foundation is laid all the emergency measures will be of no avail. The ITO can provide such a foundation. The present problems, great as they are, must be solved. Unless they are- by bold and courageous action- our achievements, great as they are, will have been in vain.