

HAVANA CHARTER CONFERENCE DECEMBER 1947

STATEMENT BY DR. H.C. COOMBS, LEADER OF AUSTRALIAN DELEGATION,
24 DECEMBER 1947.

Australia is not a major power. In this Conference, therefore, we are not in a position to lay down terms as to what must be included in the Charter and to have those terms accepted as a requirement without which there could be no Charter. It is obvious that there could be a Charter without Australia's adherence and an effective Organisation could be established without Australia being a member. This is probably true for most of the countries of this Conference.

Consequently our attitude towards the deliberations of the Conference must be dominated by a recognition of the fact that our participation is not necessary to a successful outcome, although naturally we believe that it will be a better Charter and a better Organisation if it is so drafted and constructed as to permit Australia to participate. We, therefore, proceed to argue and to work for the Australian points of view on all the major issues before the Conference in the hope that we will be able to persuade the Conference that our arguments are valid and the recommendations we make sound. If we find ourselves defeated on any particular issue, there is nothing we can do about it except to accept the situation for the time being. When the work of the Conference, however, is complete, we shall place the revised draft before our Government and they will consider it as a whole. It will no doubt contain some things of which we disapprove. I hope that it will contain much which we will find of value. Our Government must decide in the light of the Charter as a whole whether it is sufficiently in our interests to accept or reject. We recognise that it is possible that a Charter unacceptable to us might, however, be acceptable to a sufficient number of countries to bring the Organisation into being.

It might, however, be of value for me to review very briefly the basis on which my Government would examine the Charter in reaching its final decision. The Charter must be judged from two points of view. -

- a. The contribution which it makes to a solution of the world economic problems which beset the world today and may beset it in the future,
- b. Whether the obligations it imposes on Australia are consistent with our basic interests and the economic and social philosophy of my Government.

In considering whether the Charter can make a significant contribution to a solution of the world's economic problems, the effect of the Charter on Australia is of less importance than its effect on the policies and practices of the major economic countries of the world. Indeed, we have made it clear that we believe the economic future of the world is dominated by the policies, domestic and international, of the United States, and that the outcome of those policies will determine the economic climate in which we smaller countries seek to solve the problems which beset us and pursue the aspirations which we hold.

Consequently we would look first at whether the Charter imposed upon the United States obligations of a kind which would encourage them to pursue policies whose effects would be advantageous on the economic conditions of the world as a whole. For instance, we consider it important that the Charter should require the United States' Government to pursue policies directed towards the maintenance of high levels of employment and effective demand, not

merely because this would be in the interests of their own people but because it is a pre-requisite of prosperity in other countries and the first requirement of expanding world trade. Similarly, it is essential that it should impose upon the United States the obligation to promote positively the economic development and industrialisation of less developed countries. Finally, it is essential that the Charter should place upon the United States the obligation to pursue a liberal trade policy, to open its markets to the goods of other countries on terms which will permit these countries to pay for the goods and services they require of the United States. Whatever one may think about the desirability of liberal trade practices in one's own country, there can be no doubt that it is in the interests of us all that the United States should follow such practices. It may well be worth some sacrifice to ensure the acceptance of a Charter which guarantees the liberalisation of United States' commercial policy and prevents the growth of restrictive practices which vested interests in that country have already clearly demonstrated their desire to employ.

In considering whether the obligations imposed upon Australia are consistent with our basic interests and the economic and social philosophy of my Government, it would be necessary for us to ensure that we were left with freedom of action to deal with the types of problems which recur in our economy, such as the periodical exposure of the balance of payments difficulties and to pursue the progressive industrialisation and development of our economy to which we are pledged.

In these we must judge whether the methods left open to us are adequate to their task but even if we thought that we could perhaps perform these tasks a little more readily if other instruments were open to us, such as, for instance, the free use of quantitative restrictions, we have to measure whether this less is not more than counter-balanced by the limitations placed upon the United States and other major economies at the same time.

We are content to go to the Organisations in the cases where we may want to use quantitative restrictions. We are content to go because we believe that the judgement of the Organisation will be a fair one. This fairness will be ensured by the presence in the Organisation of many countries with aspirations similar to our own and by the absence of weighted voting.

It has been suggested that in so being prepared to ask the approval of the Organisation before exercising our right to impose quantitative restrictions, we are sacrificing our national sovereignty. We are a proud people and jealous of our sovereignty and we would hesitate to do anything which in any serious or ultimate sense encroached upon that sovereignty. We believe we are agreeing merely not to exercise our sovereignty so long as we remain members of the Organisation in a way which conflicts with the judgement of the members of the Organisation as a whole. Let us make it clear that if we believe that the Organisation has failed to give adequate consideration to the case we submit and has imposed a decision on us which in our opinion is seriously unjust, we would resume our complete freedom by leaving the Organisation. There can be no encroachment on sovereignty when liberty to leave the Organisation is untrammelled.

It is in the light of these considerations that the Government of Australia will review the work of this Conference and decide whether the resultant Charter is one to which Australia can adhere, but we will bear in mind that the Charter may be evolved which, while not acceptable to us, is acceptable to a sufficient number of countries without us.

This is not true of certain of the major countries. An Organisation without certain of these countries would at least be futile. This puts their views in a special position in that in rejecting them we must take into account that we may be destroying the opportunity for the establishment of an Organisation and the conclusion of a Charter. This does not mean that we

accept what they say blindly or indeed that we accept it at all. If they are unreasonable, we have the ultimate protection of refusing to participate ourselves, but it does mean that we must be fully aware of what we are doing in rejecting it.

This special weight which attaches to the views of major countries places special obligations upon them. It means that they must be prepared to sacrifice much and to regard as fundamental only issues which are absolutely basic. On other matters they must be prepared to persuade, to argue, but if they cannot convince, to give way. We are prepared to accept the view stated by the United States' delegation that the question of prior approval for quantitative restrictions at least to the extent to which it is required in the present draft may well be a basic issue, but we sincerely trust that the United States delegation will find few such basic issues.

The purpose of this meeting, Mr. Chairman, was to review the progress of the Conference. We ourselves do not think there is reason for serious concern, far less for despair, but at some stage it will be necessary for us to canvass the position to see whether there exists the material for a Charter which will both be acceptable to the major countries whose participation is fundamental and to a sufficient number of other countries of good will to constitute an adequate nucleus for an Organisation. I suggest that delegations should now reconsider the issues which they have raised and decide whether they are sufficiently fundamental to determine the fate of the Conference. That is, major countries must consider whether particular issues are so important that if their wishes are not met they are prepared to destroy the chances of there being a Charter and an Organisation. Lesser countries must consider whether particular issues are sufficiently important for them to decide that if they do not get their own way on these issues, they will stay out of any Organisation which is set up. If delegations will honestly face these issues, I believe we will make rapid progress towards a satisfactory conclusion to our work.

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