

When these major tasks are undertaken, constructive thought must, of course, be given to the best methods of rectifying the problems of deficit countries, so that they can participate in trade on the basis of the principles of this Agreement. The basic question will be, what policies are most in the interests of world trade and of the countries which participate in it? In answering this question, it will be necessary to give careful consideration to the responsibilities of creditor countries, as well as of debtors, and to reach understandings on this score.

It must be recognized that these large problems of trade and commercial policy can only be dealt with satisfactorily in circumstances where the governments concerned, and particularly the governments of the larger countries, have reached some conclusions on where they are going, not only in trade policy but in the field of international finance and payments as well. During the past year, proposals have been put forward, aimed at the achievement of progressively freer trade, and at the convertibility of currencies. While the urgency is very great, a good deal of time is necessarily involved in the consideration of these proposals, because some of them are broad in scope and complex in their details.

Meanwhile several governments, and particularly the Government of the United Kingdom, have moved courageously ahead with policies which bring ultimate convertibility much more firmly within the range of possibility. During a period of great difficulty for sterling, the United Kingdom Government instituted a policy of placing imports of primary foodstuffs and basic raw materials on a system of open general licence, a system in other words, of non-discriminatory import control. Since then, great progress has been made in improving the financial position of the United Kingdom and the position of sterling as a currency. If I may be permitted to make a comment, as an outsider, I believe at least some part of this notable success is attributable to these policies I have mentioned, which reduce the costs of production and increase the efficiency of industries. Other countries, which have been pursuing restrictive policies, are showing an increasing amount of interest in what the United Kingdom is attempting to do in this way. I think it clear that, if world trade can be conducted on a non-discriminatory basis for a sufficient number of important commodities, it should be quite possible to take the other steps necessary for the eventual restoration of the convertibility of currencies.

Turning to the United States, an important commission has recently been appointed in that country to study all aspects of foreign economic policy. It is obvious that proposals such as those emerging from the Commonwealth Conference are now in abeyance, pending the further formulation of policy by the Government of the United States. The conclusions of the United States Government on these questions are of crucial importance for other countries. I feel sure that the ultimate purposes of the United States are constructive in this broad field and I have no doubt that people in the United States are as aware as any in the world of their international responsibilities.

In various governments, studies are being made, conclusions are being formulated and informal consultations are undoubtedly taking place. This takes time but such work is a necessary part of the process. The Contracting Parties to the General Agreement on Tariffs and Trade will not, therefore, for some months to come, be in the best possible position to conduct the negotiations to which I referred. We have not yet reached that stage. When we do reach it, however, it will be important not to lose time.