

One of the articles of the General Agreement had provided that from time to time representatives of the contracting parties should meet for the purpose of giving effect to those provisions of the agreement which involved joint action and, generally, with a view to facilitating the operations and furthering the objectives of the agreement. It is in accordance with this provision that meetings have been taking place from time to time of what has come to be known as the GATT. This is the only universal forum in which inter-governmental discussions on commercial policy questions can take place. Seven sessions have already been held and have demonstrated the usefulness of having an organization of this kind.

An advantage of GATT over other organizations which have been set up since the war is that its basic instrument is flexible. One of the articles of the General Agreement provided that if the Havana Charter had not entered into force by a certain date, which date has already passed, the Contracting Parties would meet to agree whether the agreement should be amended, supplemented or maintained. At the appropriate time, therefore, a meeting can be held which should lead to a thorough review and no doubt revision of certain of the provisions of the General Agreement.

In the meantime, two other sets of tariff negotiations have taken place under the auspices of GATT. One of these was held at Annecy, France, in 1949, for the purpose of admitting certain important trading countries to the General Agreement. The other was held at Torquay, England, in the winter of 1950-51. This was not only for the purpose of admitting other trading nations but also was for the purpose of permitting all of the contracting parties to negotiate once more with each other, particularly having in view the fact that the concessions negotiated at Geneva had been bound for a three-year period only, that is to the end of 1950.

Another respect in which GATT has been different from other organizations established since the war is that it is conducted on a very modest basis. It is served by the secretariat originally set up to attend to the needs of the Interim Commission for the International Trade Organization. This secretariat, although most efficient, numbers only 35 persons and has an annual budget of around \$350,000. This compares favourably with other Specialized Agencies of the United Nations, most of which have staffs of several hundreds and annual budgets running into several millions.

GATT, therefore, is showing the advantage of building up an organization slowly from small beginnings. It is also showing the advantage of flexibility. Most of the Specialized Agencies have charters of a rigid character which can be amended only with difficulty. Now as I have already pointed out during and immediately after the war certain factors were dominating the minds of those who were considering the economic problems. Such factors were the fear of unemployment, fear of retarded economic development and fear of unstable exchange rates. The charters of the economic agencies reflected these fears. That is why the Havana Charter did not prove acceptable to public opinion in the United States. That is why the Articles of Agreement of the International Monetary Fund had not been applied too literally in the case of certain countries.