

forces is evil—traders' decisions are assumed to be the highest expression of the needs of the market and must not be supplanted by the planning decisions of Governments.

The advocates of the free market affirm that the excesses of the inter-war economic nationalism provide support for their case. They contend that, in the absence of economic nationalism, a world of full employment and plenty would be realized and maintained merely through the agency of the free market. The greater part of the text of the draft International Trade Charter serves this viewpoint. Chapter I, for example, dealing with the purposes of the proposed Trade Organization, lists as one of its purposes "the furtherance of access by all member countries on equal terms to the markets, products and productive facilities which are needed for their economic prosperity and development." This has been regarded as synonymous with the access of traders on equal terms to markets, products, and productive facilities, and various articles of the Charter seek to provide for this in specific ways. Thus one most important article (No. 14) prescribes with minor modifications general most-favoured-nation treatment, which means that all member countries undertake not to discriminate between sources of supply when buying from one another or between buying sources when selling to one another. The following article (No. 15) goes further, and, in effect, says that not only are countries to put the producers and traders of all other members on the same footing in their dealings with them, but they are also to put these foreign producers and traders on the same footing as their domestic producers and traders. The main part of the Charter is devoted to outlawing industrial, financial, and trade practices which would in any way handicap these two significant developments, and with providing for the progressive elimination of barriers to their realization.

The advocates of the free market philosophy recognize, however, that their objective cannot be achieved all at once. Accordingly, the principle of non-discrimination is qualified by the right to maintain tariffs, including existing tariff preferences, and by the right in certain circumstances to subsidise domestic producers. Only in exceptional circumstances would other measures, such as quantitative regulation of trade, associated with import selection, be permitted to modify the principle of non-discrimination.

REGULATED EXPANSION

On the other hand, there is the opposing outlook, which can be called the philosophy of planning. According to it, untrammelled market forces cannot by themselves be relied upon to ensure that combination of material and human resources which will best solve