and should therefore be provided for. At the other extreme the completely State-operated system, such as obtains in Russia, should also be provided for. And, perhaps more important still, it is necessary to provide for economies which fall between the two extremes—that is, economies wherein market forces are modified by a substantial degree of public enterprise, public planning, and public regulation.

Third, the right of sovereign States to modify the most-favoured-nation principle and employ domestic protective devices must be frankly acknowledged and assisted so long as the policies of the States in question are expansionist and not restrictive in their effect on production, trade, and living standards.

Consequently, the Charter should go beyond tariffs and subsidies and concede the right of countries to use intelligently such measures as quantitative regulation of trade associated with import selection; encouragement and planned control of capital deevlopment; regulation of prices, service charges, &c.; and control of the volume and use of money.

Fourth, with the exception of countries which require loan capital for development, all countries must buy approximately as much as they sell in order to create the conditions for the practical operation of the multilateral clearing system. If countries do not buy as much as they sell, they should lend the difference. Moreover, the current of such international lending should not be such as merely to substitute one source of supply for another, thereby knocking out areas of production and trade, and breaking down the multilateral trading system, but should in all cases provide for an expansion of production.

Fifth and most important—under-developed countries must be provided with capital equipment and raw materials on terms which will enable them to develop their resources as quickly and effectively as possible. Similarly, countries with developed capital structures and skilled populations must be provided with the raw materials that will enable them and the world to reap the benefits of their ability, experience, and technology.

Since the period of the industrial revolution, areas where industrial plant has been established have attracted raw materials and population to them and world production and trade are still dominated by this bias. The International Trade Organization's success might well be measured by the extent to which it is based on recognition of the fundamental fact that world progress demands that a way must be found of taking plant and raw materials to populations as well as populations and raw materials to plant.

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