SECOND COMMITTEE: ECONOMIC DEVELOPMENT

REPORT OF SUB-COMMITTEE D ON FOOTNOTE TO CHAPTER III ON "RECONSTRUCTION"

1. At the sixteenth meeting of Committee II the Chairman appointed a Sub-Committee composed of representatives of Australia, El Salvador, France, Mexico, Poland, the United Kingdom with terms of reference as follows: "to examine and submit recommendations concerning the footnote to Chapter III on "reconstruction" appearing at the bottom of page 12 of the Draft Charter" (E/CONF.2/C.2/SR.16).

2. The Sub-Committee held three meetings on 3, 13 and 28 January 1948. Mr. C. Novoa, Mexico, was appointed Chairman.

3. While the Sub-Committee agreed that there was a difference between reconstruction and development, they also agreed that for the purpose of the provisions of Chapter III reconstruction and development should be treated on equal terms. It was accordingly agreed to recommend the following changes in Article 8 and in paragraphs 2 and 3 of Article 10 as amended by the Sub-Committees concerned. In the text below the words underlined are those recommended by the Sub-Committee.

Article 8

"The Members recognize that.................and that the industrial and general economic development of all countries, and particularly of those in which resources are as yet relatively undeveloped, together with the reconstruction of those countries whose economies have been devastated by war, will improve opportunities.............."

Article 10 paragraph 2

"With a view to facilitating and promoting industrial and general economic development and consequently higher standards of living, especially of those countries which are still relatively undeveloped, together with the reconstruction of those countries whose economies have been devastated by war, and subject to any arrangements.............."

Article 10 paragraph 3

"With a view to facilitating and promoting industrial and general economic development especially of those countries which are still
relatively undeveloped, together with the reconstruction of those countries whose economies have been devastated by war, the Organization shall .........."

With respect to other parts of Chapter III it was agreed to recommend that the Central Drafting Committee be asked to include at the appropriate places such references to reconstruction as will result in the treatment of reconstruction and development on equal terms.