CONSIDERATION OF DRAFT REPORT ON ARTICLE 12

The Sub-Committee considered its draft report to Committee II on Article 12 (C.2/B/W.13).

The delegate from New Zealand stated that the delegates of Australia, New Zealand and Sweden had met, as decided at the Sixth Meeting, and had agreed on a revision to paragraph 2 sub-paragraph (a) which appeared on page 3 of the draft report. He stated that they had also considered an extension of the revision of sub-paragraph (a) (ii) of paragraph 2 to cover national as well as most-favoured-nation treatment and were prepared to recommend that the sub-paragraph in question read as follows: "give due regard to the desirability of avoiding discrimination with respect to investments".

This suggestion was not accepted, and it was decided to include sub-paragraph (a) of paragraph 2 in the form first recommended by the delegates of Australia, Brazil and New Zealand.

The Sub-Committee agreed to include in its report a statement proposed by the delegate of Chile relating to certain amendments which he had submitted to Article 12.

The delegate of India stated that he had not yet been advised by his Government regarding the reservation of the Indian delegation on paragraph 2 and wished this reservation to be maintained in the report.

With the changes indicated above, the report was unanimously approved by the Sub-Committee.