The CHAIRMAN announced that as the representative of South Africa had
gone back to his original position, he would put his amendment to the vote
before the Australian proposal.

The South African proposal was rejected by the Committee. The Australian
proposal and amendment to the report of the Sub-Committee were rejected by the
Committee.

The Sub-Committee text, as amended by the representative of Guatemala,
was approved. At the request of the representative of South Africa a
roll-call was taken on paragraph 3 together with the interpretative note.
It was approved by a majority of 39 to 2 with 11 abstentions: the
representatives of Afghanistan, Argentina, Austria, Brazil, Burma, Canada,
Ceylon, Chile, China, Colombia, Cuba, Denmark, Dominican Republic, Ecuador,
Egypt, France, Greece, Guatemala, Haiti, India, Indonesian Republic, Iran
Iraq, Italy, Lebanon, Liberia, Mexico, New Zealand, Norway, Pakistan, Peru,
Philippines, Syria, Trans Jordan, Turkey, United Kingdom, United States,
Uruguay, and Venezuela, being in favour; the representatives of Australia and
South Africa, against; and the representatives of Belgium, Bolivia,
Czechoslovakia, El Salvador, Ireland, Netherlands, Poland, Portugal,
Southern Rhodesia, Sweden, and Switzerland, abstaining.

Subject to the reservation of the representative of South Africa, the
text of Article 83 A as a whole and the report concerning it, were approved
by the Committee.

ARTICLE 94 GENERAL EXCEPTIONS

The representatives of India and Iraq withdrew their reservations on
Article 94. The representative of Italy maintained his reservation on
paragraph 2 (a). The representative of Turkey reserved his position pending
the outcome on Article 16 and the receipt of further instructions from his
Government.

Subject to the above-mentioned reservations, Article 94 was approved by
the Committee.
ANNEX 00 SPECIAL PROVISIONS REGARDING INDIA AND PAKISTAN

The representatives of India and Pakistan confirmed the remarks of the representative of Afghanistan to the effect that the "special agreements" mentioned in the Annex could concern only the trade between those two countries and not trade in goods in transit.

Annex 00 was approved by the Committee.

EXPLANATORY NOTE TO ARTICLE 99 PROPOSED BY THE DELEGATION OF GUATEMALA
(Document E/CN.2/C.6/101)

Mr. PEDRANO (Argentina) warmly supported the proposal of the representative of Guatemala. In his opinion, its adoption would safeguard the rights of countries in connection with territorial disputes and would make any future discussions on such questions unnecessary.

The explanatory note was approved by the Committee.

The representatives of Argentina, Guatemala, El Salvador and Mexico withdrew their reservations concerning Article 99.

AMENDMENT TO ARTICLE 93 PUT FORWARD BY THE REPRESENTATIVES OF CHILE AND PERU
(Document E/CN.2/C.6/106)

Mr. MULLER (Chile) explained that the amendment removed the prohibition that no agreements could be concluded with non-Members under the terms of Articles 15 and 42. It would ensure, however, that in connection with such agreements non-Members would accept the same obligations as Members. In reply to the representative of the United States, he said that he meant the obligations contained in Articles 15 and 42 only, as no non-Member could be expected to accept all of the obligations of the Charter.

Mr. EVANS (United States) said that Article 93 which would not permit preferential agreements, customs unions or free trade areas between Members and non-Members, represented a delicately worked out compromise which would be destroyed by the adoption of the amendment. A more important point was the fact that in his opinion the amendment would make for a substantial change in the compromise solution put forward by the Co-ordinating Committee and adopted by the Heads of Delegations.

Mr. Evans drew attention to several passages in the Charter where the use of the word "Members" indicated that only preferential agreements between Members had been contemplated and that therefore the insertion of the words "between Members" in Article 15 (4) had only clarified and not changed the meaning of the Article.

He assured the representative of Chile that the United States delegation never would have accepted the automatic criteria if the question of non-Members had been involved, and the suggestion that they should be bound by the terms of Articles 15 and 42 was not sufficient.
The case concerning Article 42 was similar to that concerning Article 15; the Organization would be dependent upon the general obligations of the Charter to ensure that Members would abstain from abuses.

In actual fact, the amendment was substantively connected with Article 15, the terms of which, already had been accepted by the vast majority of delegations present.

Mr. MÜLLER (Chile) drew the United States' representative's attention to the fact that the word "Members" was used in countless passages of the Charter but that did not mean that non-Members were to be excluded from its scope. When the question had come up for discussion at end of Co-ordinating Committee, it has been clearly decided that it should be referred to the Committee on Article 93, as a problem completely separate from the overall settlement.

Mr. KOJEVE (France) asked whether an agreement which conformed to the provisions of the Charter should be forbidden on the grounds that it had been concluded with a non-Member. The general concept of Article 93 surely was that no distinction should be drawn between Members and non-Members when there was no need for it. Not as an amendment but rather as a question, he suggested the addition to Article 93 of the words "provided that the agreements in question do not compel the Members, parties to the Agreement, to act in contravention of the Charter."

Mr. FEDRANO (Argentina) supported the amendment from the practical point of view because it was impossible to foresee which particular countries were going to become Members. He also supported it because of the terms of Article 93 (1) which read: "Nothing in this Charter shall preclude any Member from maintaining economic relations with non-Members". If it was accepted that normal economic relations should continue between Members and non-Members, it had also to be recognized that the special circumstances of the need for economic development or reconstruction would make necessary the adoption of special measures.

Mr. ALÁMIRA (Peru) pointed out that Article 15 (1) originally had contained the words "between countries"; that indicated the spirit of the Article, for the word "countries" was used most infrequently in the Charter. The attitude of the United States delegation had not received unanimous support in the Co-ordinating Committee for both the Peruvian and Chilean representatives had raised the question and the Chairman had ruled that it should be deferred to the Committee on Article 93. It was a misrepresentation of facts to suggest that this question had been decided during the Conference.

The Peruvian delegation had always been opposed to preferences but without the elimination of existing arrangements, the Peruvian Government would be forced to seek them. Article 93 did not preclude the establishment of /preferential
preferential arrangements with non-Members for paragraph 2 (b) contained the words "subject to the provisions of Chapter IV".

Mr. Alayza drew attention to several exchanges of views which had taken place in a Sub-Committee on Article 93 concerning non-discriminatory treatment for Members and non-Members. In his opinion a non-Member could not be expected to refrain from establishing quotas, etc. if it was clear that it would not receive any of the benefits of the Charter.

The amendment put forward by the Chilean representative and himself contained safeguards and at the same time it made it clear that Members could not act in the capacity of inspectors of the activities of non-Members.

Mr. GUTIÉRREZ (Bolivia) said that as for economic development or political reasons agreements with non-Members might be essential, he supported the amendment.

Mr. CHIRIGA (Ecuador) stated that he had received explicit instructions to support any suggestion from Latin-American representatives concerning the desirability of preferential arrangements. Certain Latin-American countries would not be able to become Members and the door should be left open to them and to other countries in a similar position. He warmly supported the amendment.

Mr. GAILLIER (Belgium) expressed the view that the adoption of the amendment would be tantamount to establishing a third group of countries, that is, those which were both non-Members and Members for they would undertake similar obligations to Members and hence would also need a moral code to the effect that only preferences which did not injure other countries should be established.

Mr. EVANS (United States) pointed out that he was not suggesting that no preferential arrangements should be made with non-Members; they would be permitted by a two-thirds majority vote. In special cases where the Organization was deprived of the right to pass judgment, however, only Members should be concerned. He was not proposing any amendment to Article 93 and both Articles 15 and 42 were acceptable to his delegation. No one had been able, however, to offer a satisfactory explanation of how an obligation to fulfill the provisions of Articles 15 and 42 would be of any assistance in the case of a non-Member which could, if it so desired, indulge in discriminatory practices.

Mr. CHABLONE (Uruguay) was sorry to have to differ with the Peruvian and Chilean representatives. He could not support the establishment of preferences for economic development although he recognized the justification of the cases put forward by the Central American and Arab countries. His country was a small one which had been the victim of trading preferences and the most-favoured-nation clause was the only benefit which it would gain from the Charter.
Mr. BLUSZTAJN (Poland) had reserved his position on Article 93 because, in his opinion, Alternative A of the Geneva draft would provide the only method of solving this question. There was also a Polish reservation on Article 15, to which article his delegation was going to submit an amendment. He drew attention to the discussion which had taken place in the Sub-Committee in which it had been decided that the recognition of existing preferences under the provisions of Article 16 (2) (3) would not be conditional on whether all the parties to particular agreement were or were not Members.