1. It is difficult for the Secretariat to present to the Sub-Committee a working draft of the Annex referred to in paragraph 4 of the United States draft of Article 75 (E/CONF.2/C.6/N.5) inasmuch as it has not become very clear in the course of discussion whether delegates are agreed upon what should appear in such an Annex, and if they are so agreed, just what is the content of their agreement. However, in the interests of expediting work the Secretariat has prepared this paper principally in order that the Sub-Committee will have some basis upon which to work.

2. A certain feeling has become evident in the Sub-Committee among a few delegates that the Annex should include a list of states and customs unions to be either "declared elected" or "elected" at the first regular session of the Conference. The Secretariat does not feel itself able to suggest such a list to be used as a working basis.* In any case it feels rather doubtful whether the general tenor of the United States draft does in fact indicate that the Annex should include such a list. A perusal of the draft rather gives the impression that the substance of the Annex is to show merely how the election of the first Board is to be arranged so as to allow for implementation of the principle of rotation. This paper is therefore confined to showing how this may be done.

3. The principle of rotation would, it seems, be adequately implemented were the Annex to include the following paragraph:

"The term of office of five of the members elected at the first election under paragraph 3 (b) of Article 75, such members to be determined by lot, shall expire at the end of two years. The term of the remaining five such members shall expire at the end of four years."

* The Secretariat if requested could prepare on the basis of document E/CONF.2/4/Rev.1 a list of states of chief importance in international trade but this list might not satisfy the criterion of "chief economic importance having particular regard to international trade."