The CHAIRMAN asked the Sub-Committee to consider first the question whether or not the Charter should cover completely the extension by Members of advantages to non-Members.

After statements by the representatives of Greece, Iran, Cuba, Czechoslovakia and the United States, it was agreed that the provisions of the Charter, including provisions relating to exceptions, represented the maximum amount of the advantages which a Member could extend to a non-Member.

During the discussion of this question the representative of Sweden asked whether it might not be profitable at this stage to examine the various categories of non-Members. It was agreed that such an examination should not be undertaken at the present time although it might be necessary to consider the problem at a later stage.

The CHAIRMAN then directed discussion in the Sub-Committee to the question whether or not a Member should be able to seek from a non-Member advantages which that Member could not, under the provisions of the Charter, seek from another Member.

Mr. EVANS (United States) recalled that the representative of Australia at the previous meeting had said that it was hardly realistic to expect that a non-Member would extend preferential treatment to a Member which could not extend preferential treatment to it in return and that it would be difficult to prove that a Member had "sought" preferential advantages from any non-Member as specified in paragraph 1 of Alternative C. He thought that the first criticism of the representative of Australia was based on the assumption that if most-favoured-nation treatment were applied fully, Members would have no bargaining power in their relations with non-Members. However he showed that a Member might make concessions which although enjoyed by all Members would be of particular significance to a non-Member receiving them. As regards the criticism of the word "seek" in paragraph 1 of Alternative C, the concept
behind this word was that of an advantage obtained for an advantage given. This concept he considered valuable and worthy of retention.

Mr. MACHADO (Cuba) considered that a Member should be permitted to receive from a non-Member such advantages as he could receive from that non-Member if it were a Member.

Mr. EVANS (United States) suggested the following text as a working draft for the Sub-Committee:

"No Member shall seek exclusive or preferential advantages from a non-Member which could not be granted to such Member by another Member under the terms of the Charter."

Mr. AUGENTHALER (Czechoslovakia) agreed generally with the text suggested by the representative of the United States.

Mr. TANGE (Australia) thought that some discussion on this question had occurred in the Sub-Committee dealing with Article 17 and he therefore suggested that efforts should be made to ascertain the results of that discussion.

It was agreed that the text suggested by the representative of the United States should be circulated prior to the next meeting when a decision could be taken upon it.