The CHAIRMAN referred to the summary record of the twelfth meeting and explained that he made his concluding remarks in connection with a statement of the United States representative who had invited suggestions as to alternative ways of handling the problem.

The CHAIRMAN stated that the Sub-Committee was instructed by the Chairman of Committee VI to take cognizance of the New Zealand proposal to amend Article 68, paragraph 5.

The Sub-Committee then continued the debate on the competence of the Conference to deal with the matter contained in the United States proposal. The representative of France suggested to discontinue discussion on that subject and to look for and consider concrete suggestions.

The representative of the United States supported the French suggestion and said that the purpose of his amendment was to reach some agreement under which principles of the Charter could be applied to the trade of territories under occupation. He would be willing to consider suggestions as to any other way of dealing with the matter.

The representative of China said that he would welcome a frank explanation by the United States representative of motives behind his amendment.

The representative of Czechoslovakia felt that a great part of members of the Sub-Committee were of the opinion that nothing should be included in the Charter on the trade of Germany and Japan because of legal and political implications.

The CHAIRMAN felt that the sense of the Sub-Committee was in favour of the French suggestion to consider the substance of the question and different ways of dealing with it. At a previous meeting the suggestion was made that a working party might explore the best way of dealing with the substance of the question and report to the Sub-Committee.

The representative of Belgium suggested that a compromise solution would be to attach an interpretative note to paragraph 1 of Article 99 explaining that...
the words "of territories for which it has international responsibility" would cover territories under military occupation. Members who would be unable to accept such an interpretation could enter a reservation to the interpretative note.

The representatives of the United Kingdom and of France believed that an interpretative note would have the same binding effect as a provision in the Charter itself.

The representatives of Czechoslovakia and Poland opposed as well the Belgian proposal which was supported by the representative of Denmark.

The representative of the United States believed that the issue should not be foreclosed before other suggestions had been examined. He suggested the terms of reference of the Working Party should be to examine all other possible ways in which problems of commercial relations of the occupied territories should be brought into conformity with provisions of the Charter.

The representative of France believed that if some Members would refuse to participate in future work of the Sub-Committee, no useful conclusions could be arrived at and, therefore, it would be better to limit the work in such a way as to allow everybody to participate. If some Members would not be able to agree with the conclusions, they could raise the question in a full Committee.

The representative of the United Kingdom said that he would not press his motion of reporting back to the Committee on the inadvisability of dealing with the United States amendment in the case that all other ways would be explored with the exception of the inclusion in the Charter of a specific provision laying down certain obligations as regards the trade of Germany and Japan.

The CHAIRMAN established an informal working party, composed of representatives of Belgium, China, Denmark, France, United Kingdom, United States to study methods of dealing with the substance of the United States proposal other than inclusion in the Charter of a specific provision without prejudice to the final decision on the United States amendment.