SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE
UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT

VERBATIM REPORT

TWENTY-FIRST MEETING OF COMMISSION A
HELD ON MONDAY, 30 JUNE 1947 AT 2.30 P.M. IN THE
PALAIS DES NATIONS, GENEVA

M. Max Suetens (Chairman) (Belgium)

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Chairman: The Meeting is called to order.

Gentlemen, we shall discuss, or resume our discussion to-day, at the point we broke off at on Friday. On Friday, we were considering Article 25 paragraph (e). A number of Amendments concerning the substance of this paragraph were introduced, and we cannot conceal to ourselves but must recognise that no agreement was reached within the Commission on these Amendments.

I shall recall these Amendments to you. First there was an Amendment which had the intention of extending the sections not only on certain restrictive measures, but also on quantities. Then we had an Amendment which had in mind to extend the explanations on measures which were concerned with the stabilisation of prices, and also on industrial products.

Finally, we could not find an agreement on the text proposed by the Secretariat, which wanted to establish a certain amount of proportion between imports and national production.

I shall now ask whether there are Delegates who want to take the floor on paragraph (e) of Article 25.

The Delegate of China.

Mr. TUNG (China): Mr. Chairman, the Chinese Delegation wants to clarify its position on the Amendment which it presented at the last meeting.

At the last meeting we heard several Delegates enquire about the meaning of the word "Regulation".

We want to state, frankly, that when we put the word "regulate" we mean that that Member Government which applies a restriction upon imports may increase or decrease their domestic production of like products.
We want to because we think it is obligatory for the country to regulate its economy in order to safeguard their stabilising of prices, or to prevent, or arrange for in case of, an emergency. That is the first point I want to clear.

The second point is that although we stick to the principles of this provision of paragraph (e), to have this general restriction on agricultural products, our view is merely confined to the staple foodstuffs and essential materials, and even with the staple food products and essential materials we do not intend it to serve as the basis of our economy; but we want to have a wide margin of safety in order to stabilise our agricultural prices in normal times, and to prevent very serious shortage in times of emergency; and we also want to make it clear that China will be perfectly willing to participate freely in any inter-Governmental arrangements, because we have a surplus of certain products. But that has to be done by free negotiation, and cannot be bound by this rigid measure in the Charter.

Finally, we want to make it clear that China does attach a great deal of importance to this issue of agricultural products. Our whole attitude on the Charter will depend upon this vital issue. If the Chinese Delegation is not convinced by the Committee here in general, we are afraid we will have less chance to commit our Legislature, which is composed largely of popular representatives from the whole country.
CHAIRMAN: (Interpretation): Does anybody else wish to
take the floor on this subject?

Gentlemen, in that case we are in a position to pass on to
the next paragraph of this Article -/paragraph (f). The United
States Delegation has submitted an amendment proposing the
deletion of this sub-paragraph. I will call on the representati-
of the United States to give a clarification of this amendment.

Mr. C.L. TUNG (China): Mr. Chairman, is it understood
that the sub-paragraph is going to the sub-Committee?

CHAIRMAN (Interpretation): I would like to have proposals
after the general examination of Article 25.

Mr. Oscar RYDER (United States): Mr. Chairman, the
reason we suggest the deletion of this sub-paragraph is
explained in our note: "paragraph (f) should be omitted
inasmuch as its substance is already covered by sub-paragraph
(g) of Article 37". That sub-paragraph in Article 37 exempts
state-trading monopolies from the other provisions of Chapter V
as well as from the provisions of Article 25. "In order to
make this perfectly clear, sub-paragraph (g) of Article 37
might be amended as follows:-

(g) Necessary to secure compliance with laws or
regulations which are not inconsistent with the provisions
of Chapter V, such as those relating to the enforcement of
state-trading monopolies".

CHAIRMAN (Interpretation): Does any other Delegate
wish to speak on this amendment?

Mr. J. J. DEUTSCH (Canada): Mr. Chairman, I just wish
to ask for some clarification of the United States amendment.
If you have a monopoly for, shall I say, the import of any commodity and you set up an Organization to administer that monopoly, you give it the exclusive right to import. In order to enforce that exclusive right, you may have to put on an import prohibition against the import of that commodity by any private or other Organization. Would that be permitted under the American amendment? It says one may do such things as "are not inconsistent with the provisions of Chapter V". Chapter V says that there shall not be any import prohibitions, so I am not quite clear how you would enforce a state-trading monopoly unless you are able to put on import prohibitions against the persons or entities to whom you do not wish to give the power to import, because by seeking a monopoly, you give exclusive rights to a particular entity, so you must prevent other entities from carrying on the trade. The only way you can do that is by putting on certain prohibitions. Unless you can do that, it seems to me you have not got the authority you need, and I wonder whether Mr. Ryder would explain how that would operate.
Mr. OSCAR RYDER (United States): Mr. Chairman, I daresay there is an error of drafting in our amendment and we would like to reconsider the phraseology used in the amendment, as I think that the amendment, as it stands, is subject to the objections of the delegate of Canada.

Mr. R.J. SHACKLE (United Kingdom): Well, I would like to say that this amendment does not raise any other objections of principle, but we think that the drafting should be revised very carefully.

Mr. I.C. WEBB (New Zealand): Mr. Chairman, I would like to say that, in the main, we have no objections to this proposal, but we feel, nevertheless, that the change could conceivably be one of substance if the amendment is drafted in a particular way, but we do not think that the amendment is clear as it stands. We would like to have an opportunity of seeing the United States amendment revised.

H. E. Z. AUGENTHALER (Czechoslovakia): Mr. Chairman, although we are expecting a new draft of the United States delegation's amendment, I would still like to make a few comments about the present wording, because we prefer the original wording as it is in Article 25. Now, I feel that it is not important whether this Sub-paragraph (g) is in Article 25 or in Article 37, but in this case probably all exceptions should pass also to 37 and should not be here and there. It will then be quite clear that if there is a monopoly there must be some possibilities to control this monopoly so that everybody would not be entitled to import if there is this monopoly. On the other hand, as the United States draft stands here, if we say "Necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of Chapter V..." does it mean that some Organization would be entitled
to decide whether some laws or regulations of some country are consistent or inconsistent with the provisions of Article 25? Because if it does we would not be acting in the spirit of the Charter of the United Nations, which says: "Nothing contained in the present Charter shall authorise the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state or shall require the Members to submit such matters to settlement under the present Charter". I also think that the other provisions for Customs Regulations, prevention of restrictive practices and the protection of patents, trademarks and copyrights, are going too far. I think any country has its own means to prevent the restrictive practices and the protection of patents and so on, and it is not necessary to mention it in connection with state monopolies.

Mr. OSCAR RYDER (United States): I would like to go back to the phraseology of our proposed amendment to (g), Article 37. It is possible that there is a drafting error in this amendment. However, if you read it in connection with the introduction to Article 37, you will see that it is perfectly all right. The last sentence of the introduction to Article 37 reads: "... nothing in Chapter V shall be construed to prevent the adoption or enforcement by any Member of measures." Now, it says: "Necessary to secure compliance with the laws and regulations which are not inconsistent with the provisions of Chapter V," and state trading monopolies are not inconsistent with Chapter V. In other words, anything necessary to carry out laws which are permitted under the Charter, such as state trading monopolies, is exempted under Article 37.
CHAIRMAN: Mr. Augenthaler.

H.E. Z. AUGENTHALER (Czechoslovakia): I was going to refer to the explanation given by the United States delegate. I am not sure whether this explanation meets the difficulty, because Chapter V nowhere provides for the conditions necessary to establish a monopoly. It simply says if there are monopolies they shall conduct their business in a certain way. The Chapter nowhere provides that conditions will be necessary in order to have a monopoly. There is nothing in Chapter V to prevent measures which are not inconsistent with Chapter V, but import prohibitions or export prohibitions are inconsistent with Chapter V. I do not think the situation is met by that explanation.

Mr. OSCAR RYDER (United States): It seems to me that this is a question which should be referred to the sub-Committee. I do not think there is any difference of opinion as to what should be done, it is just a matter of drafting.

CHAIRMAN (Interpretation): We will now pass to the other amendments referring to Article 25. There are three amendments, and all of them introduce new exceptions. The first amendment is introduced by the Cuban delegation which wants to extend import restrictions to any products in which a Member considers domestic production essential to the economic development of its country. The second amendment is presented by India; this amendment seeks to make legitimate prohibition or restriction which might be imposed as a safeguard against the effects of inflationary tendencies. The third amendment is presented jointly by Syria and Lebanon and seeks to extend the exceptions to certain restrictions which will be made in order to protect domestic production. I will ask the authors of the amendments to speak in turn.
Mr. R.L. FRESQUET (Cuba): The Cuban delegation submits a proposal to allow the use of import restrictions as a protective measure for the economic development of a country. We make no difference between agricultural and industrial products, because, as I said before, we frankly present this proposal as a protective measure.

We are aware of the fact that we cannot give a blank cheque to any country for the use of protective measures of this kind, and therefore, in our proposal, we have established the necessary requisites to make use of this proposal. So we said that a Member will use import restrictions only in case subsidisation has proved or is likely to prove inoperative, and that a Member will eliminate import restrictions if, after a reasonable period of time, which ordinarily shall not exceed three years, the conditions of its agricultural or industrial production intended to be developed, have proved that it is not capable of maintaining itself without further protection during an unlimited period of time.

Moreover, if the Organisation thinks that the measure is likely to have an extraordinary and unduly restrictive effect upon international trade, it may intervene in the matter and request the Member that has established such measures to consult with any interested Members with a view to a satisfactory adjustment of the matter.

If no such adjustment can be effected, the Organisation may, nevertheless, make the appropriate recommendations to the Members concerned. In any event, paragraph 2 of Article 35 shall be applied in this case.

Allow me, Mr. Chairman, to explain briefly the reasons why our delegation has submitted this proposal and similar ones in the Article of the Charter dealing with subsidies and internal taxation.
Cuba exports a little over 50% of her national output. Out of that 50%, almost 85% is represented by sugar and nearly 10% by tobacco.

In the progress of our negotiations here in Geneva we have come to this realisation: Even if our largest sugar consumer market allows us a substantial reduction on the sugar tariff, we do not see how we will be able to export one single additional pound of sugar to that country, because that importing country has established a quota system by virtue of which the amount of sugar we can export to the said country is limited, and has further established a system of subsidies to domestic producers, which keep her domestic industry alive, notwithstanding that it has proved through long years unable to live without protection and unable to fulfil its own quotas in case of a war emergency.

That same nation is also one of our best markets for tobacco, and it also maintains a quota system for our manufactured product and a system of high internal taxes which make it impossible for our manufactured product to reach a wide number of individual consumers.

Other nations with which we have dealt here in Geneva have been unable - so they say - to reduce their tariff on sugar, because they have come to consider this item as a source of great importance for revenue purposes. That is also the case of our tobacco, barred from the markets of the majority of the countries represented, on account of the system of monopolies and State enterprises they maintain, or in other cases due to the social legislation in connection with this particular item.
Out of our export trade, we have—especially with one big country—a small trade in several other items, among them minerals and rum. Our experience in the negotiations has been that, due to the policy of elimination of preferentials, we may lose the small competitive margin we now enjoy on these products. The policies of those countries mentioned above have found their ratification in the Charter and will continue to be applied against our interests in spite of the general purposes of the Charter.

So our position is that after negotiations, tariff negotiations, in Geneva have been completed, we doubt if we will be able to increase by a single dollar our export trade.

I do not want to bring at this time the consideration that, after the termination of the emergency situation now existing in regard to sugar, we may also have to reduce our sugar production. So, not only will we be unable to increase our export trade, but we will also have to face a decrease in such export trade within a year or so.

Let me now say, Mr. Chairman, that our production of sugar and tobacco only provides about 25% of the employment we need to give jobs to those able and willing to work. In the particular case of sugar it must be said that the employment it provides is only for a limited period during the year and that no matter how large our sugar crop may be, the amount of persons employed does not vary. If we have a production limited to the amount we had in 1932, we will use the same number of workers for two or two-and-a-half months, and if we have a large crop, such as the one we have had this year we use the same number of workers for five or six months.

Let me say also that we had practically the same sugar crop in 1920 as we have this year, and in 1920 we only had one-half of the population we have today.
Therefore, we have to provide employment for 75% of our working population by means of an expansion of our agricultural and industrial enterprises. Any industrial enterprise in Cuba has to face the competition of the highest industrialised country in the world only 90 miles from our shores and also the competition of low-wage producing countries within the hemisphere. I may say that on account of the specific provisions of the Cuban Constitution enacted in 1940, our workers are enjoying today one of the most liberal social legislations in the world. This means a high cost of production of a kind that we cannot eliminate by a simple change of legislation, because, as I have said before, our labour legislation is to a large extent embodied in our Constitution.

In accordance with the rules established by the Tariff Working Party Commission, if we do not negotiate an item here, that will mean the consolidation or binding of the tariff we have in force if that tariff has been negotiated in any previous treaty we have made. Naturally, we were not isolated in the trade field before we came to Geneva, and we had negotiated prior to our coming here, in all our tariff system.

Therefore, if we want to protect any particular item through tariffs, the only way is to negotiate an increase in the tariff here. We have not found in the other parties with whom we have been negotiating an understanding of this simple deduction and they have not been willing to accept it and to enter into negotiations to that end.

So, if we do not have the instrument of tariffs as a protective measure, what else can we do to protect our infant industries and agricultural enterprises, which we must develop to provide jobs for the remaining 75% of our population able and willing to work?
That is why we have come to this particular case of quotas and have included among the cases in which quotas should be permissible the industrial products. That is why we have gone to Article 30, dealing with subsidies, and have presented an amendment aimed at the use of the only kind of subsidies to which a small country like mine, without experience in the credit system and without the necessary training in deficit budgeting, can resort to. I refer to the direct method of exempting domestic producers from consumption taxes. This is not the time to repeat here the reasons I gave when we presented our amendment to Article 30, but allow me to say now that the economic effects in the costs and prices of a subsidy taken from the general budget or through any particular kind of government financing are the same as in the case of a direct subsidy such as we proposed.

That is also why we have presented in Article 15 an amendment to protect our domestic industries.

We have observed all through the Charter how the only changes some countries will have to make are those connected with tariff reductions through negotiations which are not being carried out with the general principles of the Charter. We have also watched all through the Charter how nations with difficulties in their balance-of-payments have managed to get the blessing of their restrictive policies now in force.

On the other hand, we have seen established one restriction after another upon under-developed countries which have had to content themselves with the drafting and printing of highly-inspired declarations that have no practical value for them.

If, after joining this Organization, we are going to be prevented from the use of any protective measures and if through negotiations we have been unable to get a free hand in any
particular item to use the tariff as a means of protection; if we do not see any increase in our export trade as a result of our dealings in this Conference, what benefits do we get from this structure aimed to realize high standards of living, full employment and conditions of economic and social progress, and so forth, as established in the General Purposes of the Charter?

Now, let me bring this consideration to the Committee. If any nation such as ours, outside of the 17 here represented, is – as it should logically be – enjoying through previous treaties trade relations of the world of particular importance to its economy and without any limitation whatsoever as to what to do in domestic policies, do you think that any such country will be willing to join us in this enterprise?

Up to now, we do not see that we are going to get any increase in our trade as a result of this Conference, and on the other hand we are committed to reduce our tariffs so as to increase the trade of others, and we will also have to commit ourselves to a lot of prohibitions which will prevent any further economic development in our country and will harm the small amount of industrialization we have achieved.

We excuse ourselves for the length of our speech and we beg you to bear in mind the above realities when you come to consider our proposals. Thank you.
Mr. HAKIM (Lebanon): The subject of quantitative restrictions in the interests of economic development is now under discussion in the Sub-Committee on Chapter IV.

The question at issue there is whether protective measures involving a departure from Article 25 should be subject to the prior approval of the Organisation. The Delegation of Lebanon would prefer to wait for the result of the discussion in the Sub-Committee on Chapter IV before taking a definite position on this question.

In this connection I would like to point out that the question of the use of quantitative restrictions for protective purposes is raised by numerous Amendments to different parts of the Charter. In addition to our Amendment and the Cuban Amendment, there are Amendments by the Indian, Chinese and New Zealand Delegations. It would be desirable, Mr. Chairman, to centralise the discussion on this subject in some joint body including the Sub-Committee on Chapter IV, which has been indicated in this discussion for quite some time.
CHAIRMAN (Interpretation): Gentlemen, I am very grateful to the Delegate of the Lebanon for his proposal. As a matter of fact, on the suggestion of Mr. Coombs, I was about to submit a similar suggestion. As soon as we have completed our discussion on Article 25 and a sub-Committee is established to go further into this Article, I propose to suggest a joint meeting between the sub-Committee which will deal with Article 25 and the sub-Committee which is now dealing with Chapter IV.

The Delegate of Australia.

Dr. H.C. COOMBS (Australia): Mr. Chairman, I feel somewhat worried about the procedure which we ought to follow in this case. It is true that this question of the use of quantitative restrictions for protective purposes has arisen in our work on Chapter IV, and it arose as an issue whether the exceptions to the prohibitions embodied in Chapter V which are granted in Chapter IV (particularly in Article 13), should require the prior approval of the Organization. In certain cases it was agreed that they should; in other cases, agreement was not reached, and it was felt necessary, therefore, to discuss the matter with the sub-Committee dealing with the various Articles in Chapter V concerned. We commenced that discussion this morning, but it was clear very early that the nature of the argument would be very similar to the argument which has been going on here and will continue if this matter is dealt with in full Commission.

However, Mr. Chairman, I feel that this is not a question which it is appropriate to deal with in a sub-Committee. Generally, it is assumed that when a subject has been referred to a Working Party or sub-Committee, the sub-Committee is
given a direction as to the general line of content, and the
discussion is essentially one of the means of implementing that
and the precise wording that should be adopted.

I feel that the amendments submitted on this Article and
those which have been suggested to Article 13 in our work on
Chapter IV, go beyond amendments of form or of minor substance
and represent a material change in the general substance of
the Charter, insofar as the use of protection is concerned;
and I think it proper, Mr. Chairman, that this question, if
not dealt with in full Commission, should at least be dealt
with by a committee or a sub-Committee which includes all the
countries present."

At the same time, it is clear (as the Delegate of the
Lebanon has pointed out) that the issue cannot be confined to
a particular Article or group of Articles - it arises right
through the Charter, and I, having some responsibilities for
two of the sub-Committees, have been concerned to avoid
procedure which would involve going over the same arguments
again and again. We have had or are in the process of
having the argument in Chapter IV; we have had it in the
Committee on Articles 14, 15 and 24; it is clear that when
a sub-Committee is set up to deal with Articles 25 and 27
we will have it again, and we may have it yet again for the
Article dealing with exceptions to Chapter V and again on the
Article dealing with procedures and organization.

I would like to suggest, Mr. Chairman, as a variation on
the proposal which you yourself have made, that we convert
the joint sub-Committee on Chapter IV and Articles 14, 15 and
24 into a sub-Committee on the whole, or something of that
sort, which is instructed to deal with the various amendments
which have been brought forward affecting different parts of the Charter, where the substance of them is a proposed change in the general attitude towards protection for industrial development purposes. If we can do that, I think it might be possible to bring these suggested amendments together and have determined the decision of policy which it may be possible for the various sub-Committees to apply without further argument to the particular Articles with which they are concerned; but I think, unless something like that is done, Mr. Chairman, you may find that this procedure of going over the same arguments again and again in various places is going to continue to the detriment of our time-table.
Mr. OSCAR RYDER (United States): I want to support the general suggestion made by the delegate for Australia. This amendment is of fundamental importance to the Charter. It is, in a sense, the same question as is now occupying the attention of the Sub-Committee on Chapter IV. As Mr. Coombs so rightly said, it is no use fighting that battle all over the Charter. As I see it, the decision should be made there and should be incorporated in Article 13 without further ado.

Mr. R.J. SHACKLE (United Kingdom): I would like to support Dr. Coombs suggestion also. We have of course already, this morning, started a discussion on prior approval in the Joint Sub-Committee on Articles 14, 15 and 24, and Chapter IV and in the other Sub-Committee on Chapter IV. Well, I must say it seems to me a little strange that we should be discussing a matter of such substance in what is after all only a Sub-Committee, and I do feel very much that it is desirable to widen the arena so as to become at least a Joint Sub-Committee of the whole. I am wondering whether we can possibly regard the proceedings of this morning as a beginning of the proceedings of the Committee as a whole, because it would be a pity to go over the same ground again. Therefore, I would like to support Dr. Coombs' suggestion.

M. KOJÉVE (France) (Interpretation): In our opinion it would be preferable if all delegations could take part in the discussion on this amendment.

Mr. C.L. TUNG (China): The Chinese delegation is highly in favour of the Cuban and Lebanese amendments to place their proposals as an exception to paragraph 1 of Article 25, and in fact the Chinese delegation had made a similar proposal during the First Session of the Preparatory Committee. I think that all
delegations present in this Committee recognise that, underdeveloped countries should have a chance to adopt protective measures in the form of a tariff restriction or a quantitative restriction or otherwise. The point of contention is whether we should have a previous consultation or not. In Article 13 of Chapter IV it provides that all protective measures for the protection of underdeveloped countries should go through a number of processes, on previous consultation. The Chinese delegation attended the meetings of the Sub-Committee dealing with that Article and have repeatedly objected to this previous consultation.
In the first place, there must be some response to any protective measures from other countries similarly affected. Then there will be an interim period, perhaps a long time, during which many changes may happen either in the country itself or in other countries. Also, there may be something secret about the commodity which the country is going to protect, and if there is suddenly a disturbance in the market that will defeat the very object the country is going to protect. If we really want to give a country the chance to adopt protective measures either for the general good or for the good of itself, I think we should not insist upon this previous consultation. If we adopt the Cuban or the Lebanon amendment and put these measures as an exception to Article 25, it will not conflict in any way with Article 13 at all. It should be placed as an exception to paragraph 1 of Article 25 so the Articles can go on as they are, without any consultation, within the Charter itself. Therefore, I am highly in favour of the Cuban amendment or the Lebanon amendment, but in connection with this I must express the opinion of the Chinese delegation and say that we strongly object to the proposal of previous consultation, because we feel firmly it will not have the proper effect but will be merely a camouflage.

CHAIRMAN (Interpretation): Yielding to the desire of several delegations that the problem of measures for safeguarding the protection of new countries — measures which were the object of discussions on Articles 14, 15, and 21, as well as on Chapter IV and Article 25 — should be discussed in a plenary session of Commission A I suggest that this discussion take place on Wednesday morning. I believe the joint meeting of two Committees which was fixed for Wednesday morning has already met to-day, so that we can reserve Wednesday morning for this discussion in plenary session. Are you all agreed?
Mr. B.N. ADAKAR (India): There is a meeting of the Tariff Working Party on Wednesday morning.

CHAIRMAN (Interpretation): I regret, but there simply does not exist one single day in the week when we shall not find a similar inconvenience; therefore we must make our choice.

Mr. B.N. ADAKAR (India): It was expected that the debate on the amendment we proposed would take place after the discussion on Article 26. We have moved an amendment in the form of an additional Article - Article 26(a), and the date was fixed as the 16th July, or after. In view of the fact that all amendments relating to quantitative restrictions are to be considered together in plenary session, I wonder whether it will be possible to have that discussion some time next week.
CHAIRMAN (Interpretation): I will make a different suggestion. Since your amendment is of the same type as the question which we shall discuss on Wednesday, that is, the creation of a new Article 26A, I suggest that your amendment be discussed on Wednesday during the course of the general discussion.

MR. B.N. ADAKAR (India); Mr. Chairman, I understand that position precisely, but I was wondering whether the discussion could be postponed until some time next week because the discussion is now taking place much earlier than we expected. We expected our amendment much later, according to the time-table which has just been set out. If it is possible to postpone that discussion until some time next week without much inconvenience, that would be alright.

CHAIRMAN (Interpretation): However, I must insist on the discussion on this amendment on Wednesday. This amendment was prepared in advance and we are all familiar with the text of it. It would really offend the Indian delegation, whose excellent representation we have heard so many times, should we think that the Indian delegation were not in a position to discuss their amendment on Wednesday.

I shall address myself again to the Indian delegate. There is another Indian amendment in relation to Article 25, which proposes the prohibition of restrictions applied as a safe-guard against the effects of inflationary conditions. This is an entirely new question.

MR. B.N. ADAKAR (India): Mr. Chairman, the amendment which we have proposed is the counterpart of a provision which exists in Chapter III, under which Members of the Organization can take action to safe-guard themselves against external deflationary pressure.
It seems to us that it is as important to provide against external inflationary pressure as against external deflationary pressure. However, at the time when we proposed this amendment, we were not aware of the amendment ruled by the Australian delegation to sub-paragraph (b) of paragraph 2 of this Article.

This amendment was discussed in this Commission, it received considerable support, and it has been referred to the sub-committee. We think that the point we have in mind could perhaps be solved by a suitable re-drafting of this paragraph, and in the circumstances, we would be prepared to withdraw our amendment with the request that the sub-committee which will be set up to deal with Article 25 should consider whether sub-paragraph (b) of paragraph 2 as re-drafted would be adequate to deal with the situation in which Members of the Organization will have to protect themselves against external inflationary pressure.

The same applies to the consequential amendment to Article 28, paragraph 1(b), which we have proposed.

Thank you very much.

MR. R.J. SHACKLE (United Kingdom): Mr. Chairman, I presume that the Australian amendment referred to is that in Note 5 on page 3 of document W/223?

CHAIRMAN (Interpretation): That is correct.

The delegate for Brazil.

MR. E.L. RODRIGUES (Brazil): Mr. Chairman, I think the Australian amendment does not completely cover the Indian amendment. In the case of over-employment in a country, like we have at present in Brazil, sometimes we need to make some export prohibition in order to avoid the use of man-power in certain
industries. I give an example. We have the textile industry in our country and we can export and get a very high price in some particular Latin American countries but it is very difficult for the production of other goods, because at present we have over-employment and I think the same thing is happening in other countries. Because of this, I would support the Indian amendment and I think we need to have something like the Indian delegate has suggested in order to cope with such a situation, as we have at present in Brazil and in other countries, caused by inflation.
CHAIRMAN (Interpretation): Gentlemen, I believe that the best solution would be for the Sub-Committee to consider the Australian Amendment in the light of the remarks made just now by the Delegates for India and Brazil.

We can now pass on to Article 27. Non-Discriminatory Administration of Quantitative Restrictions.

There is something particular about paragraph 1. No Amendments were submitted in relation to this paragraph. Therefore we can pass on to the next paragraph.

The first Amendment concerns sub-paragraphs (d) and (e) of Article 27. The Amendment was introduced by the U.S. Delegation; therefore I shall call on the representative of the United States.

Mr. OSCAR RYDER (United States): This Amendment relates to cases where import licences are issued in connection with quota allocation. The Article as it stands in the New York Draft requires that no provision shall be made for prohibition on import licences, providing that the licences are utilised for the importation of the product concerned from a particular country or source.

Now, particularly in cases where there is no quota, where imports are regulated by licence, it is of particular importance not only that the licences do specify the country from which the imports are permitted, but that the licences are not distributed among importers in such a way or under such conditions as would actually cause discrimination between countries: and it is to take care of that that we introduce our Amendment, which reads, "Moreover, such licenses or permits shall not be distributed among importing or supplying enterprises in such manner, or be subject to such conditions, as to result in discrimination against any Member".
This makes it clear that the paragraph provides there shall be no discrimination, either direct or indirect, in the administration of the import licence system.

CHAIRMAN: The Delegate of the United Kingdom.

Mr. SHACKLE (United Kingdom): I feel rather doubtful about this Amendment, because it seems to me it attempts to define, by means of certain rather vague terms, a point which, I think, is already clearly implicit in the text we already have. In (a) of para. 2 of this Article, we read: "The administration of the restrictions should be carried out in such a way as to result in a distribution of trade which approaches as closely as possible to the shares which the various Member countries might be expected to obtain as the result of international competition in the absence of such restrictions."

That paragraph was put in, I think, to indicate the general governing idea of the whole of this Article. It is, in fact, I think, a sort of attempt to say what discrimination or non-discrimination should be, in this connection. And then again, we have already in this paragraph (d), as it now stands, a provision that the issue of import licences or permits shall not provide or require that the licences or permits shall be utilised for the importation of the product concerned from a particular country or source.

Well now, my feeling is that in those two paragraphs you have already a sufficiently clear intention of the whole object and spirit in which these provisions should be administered, and I very much doubt if you further the matter at all by introducing these new words, which, as far as I can see, depend entirely on what you mean by discrimination. "Such licences or permits shall
not be distributed....in such a manner or be subject to such conditions as to result in discrimination against any Member”.

Discrimination is not a term which explains itself, particularly in connection with a matter like quantitative restrictions, and I do feel that in so far as you can have a definition of what non-discrimination can be taken to mean, (a) of para. 2 is an admirable definition, and probably the best you will ever get.

So I should be strongly inclined to leave the matter with the text as we have it. I doubt if this addition makes anything clearer. It seems to me it rather introduces doubt.

It does seem to me, if we introduce this Amendment we rather compel ourselves to go round and round in circles; because the title of the Article is "Non-discriminatory administration of quantitative restrictions". The object is to define what Non-discrimination is, and when we say licences and permits are not such as to result in discrimination against a Member, it is a circle. We go round and round.
CHAIRMAN: The Delegate of France.

M. KOJEVE (France) (Interpretation): Mr. Chairman, I merely wish to say that I entirely support what my colleague from the United Kingdom has just said.

CHAIRMAN: The Delegate of the United States.

Mr. Oscar Ryder (United States): I do not quite understand the cogency of the argument put forward by the Delegate of the United Kingdom. If his argument were correct, then you would not need sub-paragraph (d) at all, as far as I can see. Sub-paragraph (a) merely states general objectives, then what follows gives a detailed prescription. Now, the first part of sub-paragraph (a) provides that "import licenses or permits, whether or not issued in connection with quotas shall not (save for purposes of operating quotas allocated in accordance with sub-paragraph (e) of this paragraph) require or provide that the license or permit be utilized for the importation of the product concerned from a particular country or source". Now if you are going to do that, it seems to me it is necessary to go further, because the mere formal requirement of a license is not by any means all that there is to the matter. There are various practices which have been and can be continued, which result in discrimination between countries: discrimination in the distribution of licences among different importers who have connection with different countries, also discrimination in the conditions under which the licences are granted.

CHAIRMAN: The Delegate of the United Kingdom.

Mr. R.J. Shackleton (United Kingdom): Mr. Chairman, I must
confess I find difficulty in understanding how this amendment alters the situation, or just how it could be worked in practice. Discrimination, after all, is not a term which explains itself in the context of quantitative restrictions. In essence, as I understand the idea—as, indeed, paragraph 2(a) seems to define it—it is that there should be very much the same state of affairs as if there were no restriction, so that competition would have free play. It is in the nature of things that when you have quantitative restrictions, competition does not have free play, so that the signification of non-discrimination is by no means obvious. That is why I am very worried by anything which attempts to lay down a rule on the basis of this word "discrimination".

When one comes to try to think out how this would work in relation to the day-by-day work of licensing—there again it is not easy to see just how it would work. It is clear that it would not do for us simply to have regard for the concerns which were engaged in the trade in the past. Trade is always liable to change. You have got to make some kind of allowance for that change; but it is not an easy matter to see just what you can do.

I do feel that one needs to have a much clearer indication of the kind of practical application that the United States Delegation has in mind, before one can really make up one's mind about it.

CHAIRMAN: The Delegate of China.

Mr. L. TUNG (China): Mr. Chairman, in the case of issuing import licences, if the issuing country finds it is convenient to make a preference for the purchase of a
particular commodity from a certain country, not because of the low price, not because of the good quality, but because the exchange is favourable, would that constitute discrimination against other Members? I wish the American Delegate would give me a little enlightenment on that.

CHAIRMAN: The Delegate of the United States.

Mr. Oscar RYDER (United States); The Delegate of the United Kingdom appears to be distressed about the word "discrimination". The title is "Non-discriminatory administration of quantitative restrictions". Sub-paragraph (a) of paragraph 2 gives a general principle, and that would be kept in mind, of course, in administering all that follows. I think it is clear what kind of practices would be covered by the United States amendment.

CHAIRMAN: The Delegate of the United Kingdom.

Mr. R.J. SHACKLE (United Kingdom): Mr. Chairman, I still feel very fogged over this. It seems to me that what it comes down in practice to is: if, in order to secure the kind of result contemplated in paragraph 2(a), loosely called non-discrimination, you have to think out the position as between a number of firms which have been in the trade in the past, and a number of new firms that want to come into it, -------

Just what is the right rule for dealing with a case of that kind? Clearly, if you confine your licences to the firms that were in the trade in the past, you freeze the trade; and plainly, it would not do to throw all licences open to new firms and ignore the licences of the old ones. It seems to me that this is a matter where you have to try a compromise in practical administration, and the best thing you can do is to keep in view the principle which is defined in paragraph 2(a) already, and I fail to see, by adding the word "discrimination", you clarify the matter one little bit.
Dr. A.B. SPEEKENBRINK (Netherlands): Mr. Chairman, I must also say a little bit about this matter. I have some doubts, because in paragraph 2(a) it says "The administration of the restrictions should be carried out in such a way as to result in a distribution of trade which approaches as closely as possible to the shares which the various Member countries might be expected to obtain ...." On the other hand, in (e) it says that you will give shares to special particular countries. It might be fairly difficulty to fulfill the obligation of (a), although I quite agree that we should not have discrimination. I only want to point out that the more stipulations you make here the more difficult it becomes.

Mr. OSCAR RYDER (United States): I do not see any useful purpose in continuing the argument with Mr. Shackle. The question that he raises applies to the whole of the Article, particularly the succeeding sub-paragraph, and I do not see that there is any more difficulty here than elsewhere. It seems to me that, in this matter, the necessity of additional language and changes of phraseology can be submitted to the Sub-Committee.

CHAIRMAN (Interpretation): That is also my opinion. We can close the discussion on this amendment and refer it to the Sub-Committee.

Having looked at the other amendments relating to this Article, I find that they are mainly amendments of form. The amendments were introduced by the delegations of Czechoslovakia, the United States and China. At a first glance it seems to appear that all these amendments could be referred to the Sub-Committee. If, however, anyone of the delegations concerned wishes to express an opinion on these amendments I shall of course give them opportunity to speak.
Mr. L.C. WEBB (New Zealand): Mr. Chairman, the New Zealand delegation does not regard the proposed amendment of sub-paragraph (e), as proposed by the United States, as an amendment of form. We regard it as an amendment of substance. I do not know whether this is the appropriate moment for me to put forward our point of view, but justly speaking, it is this. We feel that there is a very substantial difference between 27.2(a) and 27.2(e). Paragraph 2(a) refers to the "distribution of trade which approaches as closely as possible to the shares which the various Member countries might be expected to obtain as the result of international competition in the absence of such restrictions". Now, the proposal, it seems to me, ignores the difference between that and commercial considerations. In other words we would find great difficulty in deleting the words which the American delegation seeks to delete from (e): "... the shares of the various supplying Member countries should in principle be determined in accordance with commercial considerations such as price, quality and customary sources of supply". All that is proposed to be deleted in the American amendment. We would only say that we do not mind where those words go as long as they go somewhere.
We submit paragraph (a) should read something like this:

"The administration of the restrictions should be carried out in such a way as to result in a distribution of trade which approaches as closely as possible to the shares which, in the absence of such restrictions, the various member countries might be expected to obtain as the result of international trade based on commercial considerations."

We see a considerable difference between international competition and trade based on commercial considerations; for one thing, international trade is a short term affair, and there are many considerations in our view which would lead a member to ignore the prices immediately current in international trade in the interest of commercial considerations. In other words, countries selling may not consider it expedient to sell at an immediately current market price, or to buy at an immediately current market price.

For these reasons, we would very strongly oppose the change which the United States delegation proposes to make, and our hope would be that (e) would be left more or less as it is; but if (e) is not to be left as it is, then (a) should be changed.

Mr. R.J. SHACKLE (United Kingdom): I am not ready to give way on this point of form or substance. It does seem to me that this overlooks the distinction between Article 27 and State trading in Article 31. In Article 27 we are dealing entirely with governmental regulation of private trade. The point about State trading was dealt with in Article 31 at the end of the paragraph where it says: "To this end such enterprise shall, in making its external purchases or sales of any product, be influenced solely by commercial considerations, such as price, quality," and so on.

I do feel the point the New Zealand delegate has made is really a point for Article 31 and not one that should be made here. I should have thought so far as the regulation of private trade is
concerned, there is no relation between this paragraph and the reference to commercial considerations which the United States proposes to delete from paragraph (e).

CHAIRMAN: Mr. Webb.

Mr. L.C. WEBB (New Zealand): I would only say I did not have in mind when I was raising the point the question of State trading. I will think that in (a) if we are going to make this change, proposed by the American delegation, we must change (a), because it is in my view commercial considerations which will determine action as part of the Charter, rather than the short term and rather 'chancy' question of international competition as it happens to be at the particular moment. That is what I was getting at.

CHAIRMAN (Interpretation): Would the representative of the United States like to answer this objection?

Mr. OSCAR RYDER (United States): Sub-paragraph (a) states the principle involved. When we get down to sub-paragraph (e) in the New York draft, there is the same idea of commercial considerations given in the text, and illustrations follow of certain things that are of doubtful validity for commercial considerations. If we read the comments in connection with this amendment, you will notice we say:

"An objection to the mention of the principle of commercial considerations in this context is that it seems to imply that the government would have its own commercial interests in mind (as in the case of State-trading) whereas in fact governmental allocations should merely reflect the factor of commercial considerations as it may be influencing, or may have influenced,"
all trade, whether public or private, in the product subject to the restrictions. This application to quota allocations of the principle of commercial considerations, however, is already fully covered by sub-paragraph (a)."

The question has been raised by Mr. Webb as to whether sub-paragraph (a) should be reframed. I have an open mind on that, and I think it can very well be referred to the sub-Committee.
CHAIRMAN: Monsieur Kojeve.

M. KOJEVE (France) (Interpretation): Mr. Chairman, I still believe that there is a difference between sub-paragraph (a) and sub-paragraph (e). Sub-paragraph (a) deals only with the operation of competition, whereas in (e) we have the notion of the usual sources of supply. These are two quite different concepts. I think the best way of intensifying and extending international trade is by consolidating and strengthening the traditional currents of trade, and I think, in the light of this remark, that to keep the questionable sentence in sub-paragraph (e) would serve the same purpose.

CHAIRMAN (Interpretation): I think, Gentlemen, we can instruct the sub-committee to propose a suitable text.

The delegate of Chile.

MR. F. GARCIA-OLDINI (Chile) (Interpretation): Mr. Chairman, I also believe that the whole text could be usefully referred to the sub-committee. In fact I see a considerable difficulty in the application of this article. This article, which deals with restrictions relating to licenses and import permits and all relevant communications, is so established that most time periods do not coincide, and apparently the authors of the article were quite aware of it since we constantly meet in the text with terms such as "when possible" or "where possible" or "in principle". These terms give the article necessary flexibility, but at the same time, the text is sometimes found to be too rigid, and is in singular contrast with the flexibility of other sub-paragraphs. In Sub-paragraph (e) also provides for cases/which this method is not reasonably practicable,"which seems to imply that the authors
of the sub-paragraph quite foresaw that sometimes the methods they provided for were not reasonably practicable. However, immediately afterwards, a very rigid method is proposed, which is by no means simpler than the method to which the words "In cases in which this method is not reasonably practicable" apply. For all these reasons, Mr. Chairman, I would suggest that the sub-committee consider very carefully the whole question and, without departing from precision, which after all is necessary, try to introduce more flexibility into the whole text.

CHAIRMAN (Interpretation): Are there any more delegates who wish to speak on Article 27?

Monsieur Augenthaler.

H.E. Z. AUGENTHALER (Czechoslovakia): Mr. Chairman, if you consider that we have finished entirely the discussion on Article 27, I would like to stress here the importance of our amendment to paragraph 3(b).

I think that all countries present would recognise that, especially in the administration of quantitative restrictions in general, and especially how it is here, the procedure is most difficult for such a country if you think of a country of this kind which is surrounded by other countries not applying the provisions of the Charter. I cannot envisage what would be the consequences of one country having free trade surrounded by countries which have no free trade and which are maintaining the restrictions on foreign trade.
I think that it could be an economic disaster for this country. That was the reason why we made a provision for this case in our Draft, to the Article concerning relations with Non-Members, and here we thought just to put the small Amendment about the publicity, which may be extremely important in these matters too. We still hope that we will find a certain way how to make it possible for a Member in its relations with Non-Members to apply the Charter without endangering its own economic life. Thank you.

CHAIRMAN: The Delegate of New Zealand.

Mr. WEBB (New Zealand): Mr. Chairman, I merely wish to refer to Note 43 on the Document we are considering, and to say that the New Zealand Delegation would be opposed to the elimination of the words which the United States Amendment proposes to eliminate, namely, the words "provided, however, that there shall be no obligation to supply information as to the names of the importing or supplying enterprises".

We do not think that it would be wise or practicable to envisage a practice which is really not in conformity with the commercial considerations which are mentioned elsewhere in this Charter.

CHAIRMAN: The Delegate for China.

Mr. TUNG (China): The Chinese proposal, after the deletion of certain principles in Article 27 para. 4, is a cross-reference to Article 25; so I simply want to mention that I wish that to be discussed in connection with Article 25 2 (a) in the Sub-Committee. Thank you.

CHAIRMAN: The Delegate of the United Kingdom.
Mr. SHACKLE (United Kingdom): We also have the feeling, with the Chinese Delegation, with regard to the proposed deletion of the proviso at the end of that paragraph in Note 43 in our Working Paper, as we feel that this is a matter in which it is not competent for a firm to give away their names.

CHAIRMAN: The Delegate of the United States.

Mr. RYDER (United States): I appreciate, in presenting this Amendment, it is an Amendment based on the view that since the granting of a licence for an enterprise would constitute discrimination of particular countries, the names of enterprises receiving licences should not be withheld. I doubt if there is any case where there is any confidential information involved. It is usual for competing enterprises in the different countries to know who their competitors are, and I do not know of anything about which there is more nonsense spoken than in regard to confidential information in regard to matters of this kind.

It seems to me, unless you can know the names to whom licences are distributed, there is no way in which an Organisation can determine whether or not there is discrimination.

CHAIRMAN: The Delegate of the Netherlands.

Mr. SPEKENBRINK (Netherlands): With regard to this last point, I think as the information is given from a Government to a Government, that the Government giving the information should have the right to accept that the information given, if of a confidential nature, shall be treated as such. We have no objection to this.

CHAIRMAN: The Delegate of Norway.
Mr. MELANDER (Norway): Mr. Chairman, we think that the proviso ought to stand as it stands now. As far as I can see, the information referred to in paragraph 3 (a) in the first part of the paragraph would be sufficient; and, of course, when given from a Government to a Government, it is obvious that should be quite satisfactory and reliable, and I foresee certain difficulties if we should go so far into details as indicating names, which would also, of course, mean indicating quantities - you get into all sorts of problems relating to quantities, qualities, prices and competition, and you really risk getting into rather deep water.

CHAIRMAN: The Delegate of the United Kingdom.

Mr. SHACKEL (United Kingdom): Mr. Chairman, I would like to say I agree with the remark of the Norwegian Delegate.

CHAIRMAN (Interpretation): Gentlemen, are there other speakers on this subject?

The Delegate of Czechoslovakia.

Mr. AUGENTHALER (Czechoslovakia): Mr. Chairman, I would like to stress the point that we would support the opinion of the New Zealand Delegation.

CHAIRMAN: (Interpretation) I believe, Gentlemen, we can leave Article 27 to the Sub-Committee.

Gentlemen, it now remains for us to establish the Sub-Committee which will deal with Articles 25 and 27. Here are my proposals:

The Sub-Committee would be constituted of the Delegates of China, Czechoslovakia, the Netherlands, United Kingdom, United States, and Norway.

Are you all agreed, Gentlemen?
M. F. Garcia OLDINI (Chile): Mr. Chairman, may I take it that it is understood that the sub-Committee will not deal with the substance of the text before receiving the decision and instructions of the Commission?

CHAIRMAN: (Interpretation): That is agreed.

I have yet another announcement to make, gentlemen. As you probably recall, we decided to refer Article 33 to a special committee. It was further decided that the new Committee would examine Article 33 only after completion of the examination of Article 25. The special committee was composed as follows: the United States; Czechoslovakia; the United Kingdom; Australia and New Zealand, with myself as Chairman.

I must now suggest two modifications. The first modification is to add another Delegate to the sub-Committee, on the request of the Members of the sub-Committee itself. I propose the inclusion of the representative of Canada. The other modification is that, unfortunately, I will not be in a position to undertake the Chairmanship of this Committee. I must leave Geneva for a few days at the end of this week, and I would like the Committee to start upon its labours. Therefore, I will propose another Chairman, a person who is just as neutral as myself and who enjoys the general confidence of his colleagues: the Delegate of Belgium, M. Forthomme.

I have yet another proposal to make, gentlemen. As you know, tomorrow afternoon we are free. Therefore, I would suggest that the discussion upon the question of measures of protection necessary for the development of new countries is begun tomorrow afternoon, and not on Wednesday, as scheduled.

Mr. Oscar RYDER (United States): Does that mean that we will have a Meeting tomorrow instead of Wednesday afternoon?
CHAIRMAN: Yes.
The Delegate of New Zealand.

Mr. L. C. WEBB (New Zealand): Mr. Chairman, I missed the point in the translation of your statement on the Committee on Article 33. Did I understand you to say that these changes had been made at the request of the Members of the Committee? I think it was an error in the translation.

CHAIRMAN (Interpretation): Not on the request, but in conformity with the desire of the Members of the Commission, that is, regarding the addition of the representative of Canada to the Members of the Committee.

Mr. L. C. WEBB (New Zealand): As a point of accuracy on the record, though, Mr. Chairman, the Delegation of New Zealand (as a Member of the Committee) was not consulted in this.

CHAIRMAN (Interpretation): Mr. Webb, have you any objections to the Membership of the representative of Canada in this Committee?

Mr. L.C. Webb (New Zealand): No, I raise no objection. I merely wish to set the matter right on the record.

Mr. Oscar Ryder (United States): Mr. Chairman, the Delegate of Canada is on the Committee on Article 33 and not on the Committee on Articles 25 or 27, or on both?

CHAIRMAN (Interpretation): No, only on the sub-Committee on Article 33.

Mr. J.J. DEUTSCH (Canada): Mr. Chairman, I do not think I have got correctly the membership of the sub-Committee on Articles
25 and 27. Could I have the names again?

CHAIRMAN (Interpretation): China, Czechoslovakia, the United States, the Netherlands, the United Kingdom, and Norway.

Mr. J. J. DEUTSCH (Canada): Mr. Chairman, Article 25, sub-paragraph (e) has occasioned a lot of discussion in this Commission and affects very much the position of agricultural exports, and I do think they are not adequately represented on this sub-Committee and I would like to suggest the addition of the Member of Brazil.
Mr. C.I. TUNG (China): I think the discussion of Articles 25 and 27 is chiefly concerned with the underdeveloped and agricultural countries. I therefore suggest that we should add the delegation of India to this Sub-Committee because India has also a new proposal on this protective measure in connection with Article 25 although it is put there as Article 26 A.

Mr. B.N. ADAKAR (India): Mr. Chairman, I appreciate very much the intention of the Chinese delegation in making the suggestion, but I do not wish to add to the difficulties of the Commission in constituting this Sub-Committee. Already the number has increased to seven, and I personally believe that the point of view which India represents would be adequately represented by the delegations of China and Brazil, and in the circumstances I do not support the suggestion by the delegate for China.

Mr. F. GARCIA OLDINI (Chile) (Interpretation): Mr. Chairman, when, a moment ago, I asked you whether the substance of Articles 25 and 27 would be solved by the Plenary Commission which is to meet tomorrow, I had in mind precisely that question. On second thoughts, however, it occurred to me that even if the question is solved here, the Sub-Committee is bound to give it a phrasing which corresponds to the Members who sit on it. It strikes me that unfortunately the list of Members does not include any Member who is against the proposed amendments to sub-paragraph (e) which had set one half of the Commission against the other half. Acting under the proposal of the Canadian delegate, you have added the delegate for Brazil but it rather strikes me that he will be lonely in that Sub-Committee.

Mr. R.L. FRESCUET (Cuba): Mr. Chairman, I propose that we after defer the composition of the Sub-Committee until we have had full discussion of that matter in tomorrow's meeting.
CHAIRMAN (Interpretation): Gentlemen, I am in the hands of the Commission, and I see no objection whatsoever in associating myself with the proposal made by Mr. Fresquet.

Dr. J.E. HOLLOWAY (South Africa): I propose that the composition of the Sub-Committee be left to the Chairman, and that it should be constituted of five Members, and that there should be no right of appeal!

Mr. OSCAR RYDER (United States): I endorse the suggestion of the delegate for South Africa, except that I would let you appoint six Members if you want to, and I think that the Sub-Committee should be appointed now and should get to work immediately.

Mr. R.L. FRESQUET (Cuba): Mr. Chairman, I have no objections at all to the suggestion made by the delegate for South Africa, that is, to leave in your hands the composition of the Sub-Committee, but I object to your being able to decide yourself about the composition of the Sub-Committee now, before the Plenary Session tomorrow. I think that, if the Sub-Committee will start working now, it will not have a perfect idea of what the full Committee thinks about the subject.
Mr. E.L. RODRIGUES (Brazil): I thank the delegate of Canada and the delegate of the United States, but I should like to explain that I would be very proud to give my cooperation to the Committee. However, I do not like to create difficulties for you, Mr. Chairman, and I will accept with pleasure your decision if you take out Brazil.

Mr. R.J. SHACKLE (United Kingdom): I should like to ask when it will be possible for the Committee to meet. The Chairmen of Committees and two sub-Committees meet tomorrow morning; I presume it is not intended to have a third Committee at the same time.

CHAIRMAN (Interpretation): Since it is absolutely impossible for the sub-Committee to start on its work tomorrow, I see no objection whatever to accepting the view that has been expressed. Besides, it is quite possible that after the general discussion tomorrow more light will be thrown on the subject and we may perhaps be able to obtain a better composition of the Sub-Committee.

H.E. Z.AUGENTHALER (Czechoslovakia): I think there is a mistake about the Committee on Article 36, because it meets on Wednesday and not tomorrow.

Mr. R.J. SHACKLE (United Kingdom): I am sorry to appear argumentative, but in the blue document No.130 which was last distributed, the meetings are set out as: Chairmen of Committees, 10.30; Sub-Committee on Article 36, 10.30; and Sub-Committee on Chapter VIII, 10.30. As far as I know, that is the up-to-date programme for tomorrow.
CHAIRMAN (Interpretation): At any rate, the composition of the sub-Committee will be discussed tomorrow, and I propose to convene the meeting not at 2.30, but at 3 p.m., because in the morning we have a meeting of the Heads of Delegations, and it is quite possible that this meeting may be somewhat prolonged.

The meeting stands adjourned.

(The meeting rose at 5.45 p.m.)