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

VERBATIM REPORT

FOURTH MEETING OF COMMISSION A,
HELD ON WEDNESDAY, 28 MAY, 1947, AT 3 P.M. IN THE
PALAIS DES NATIONS, GENEVA.

M. MAX SUETENS (Chairman) (Belgium)

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CHAIRMAN: The Meeting is called to order.

We will go on with the discussion of Article 13. I would remind Delegates that this morning we said we would discuss the question of whether we should approve the principle explained by the Delegate of Chile, that is to say, to consider Article 13 as an Article of principle, with as few rules of procedure as possible and those very flexible; or whether we should accept the idea expounded by the Delegates of Australia and the United Kingdom, to have a more speedy but at the same time a more precise procedure on Article 13.

Does anyone wish to speak?

Mr. Jean Jussiant.

Mr. JEAN JUSSIANT (Belgium): In New York, Mr. Chairman, I was somewhat frightened by the length of the text of Article 13 and if we were now dealing only with the question of form I would prefer the form given to this Article by the Delegations of Chile and New Zealand, which is more concise. But we are not dealing only with the question of form and the disadvantage I see in the text presented by these two Delegations is that, according to the idea expressed, a country who wishes to impose restrictions can do so prior to any consultation. This, in my opinion, is very dangerous. We have been very careful in the Charter to fix very strict limits to the restrictions which may be put on trade, and the limits apply to situations which are very clear in effect, such as a lack of equilibrium in the balance-of-payments, and so on.

In the position in which we are now, the situation is not of the same kind as the one I mentioned and it would be very difficult to fix a limit to the restrictions. Therefore
I would rather support the proposals made by the Delegations of the United Kingdom and Australia. Their two texts are in any case not very different from each other and I think it would be comparatively simple to harmonize them in a single text.

CHAIRMAN: The Delegate for Canada.

Mr. J. J. DEUTSCH (Canada): Mr. Chairman, in this morning's discussion I was impressed by the concern of various Delegations regarding the possibilities of delay under the operations of Article 13. I feel that the proposals put forward by Australia and the United Kingdom are very constructive in the direction of making Article 13 more effective for its purposes and therefore I would like to support in principle the proposals put forward by Australia and the United Kingdom.

CHAIRMAN: The Delegate for China.

Hs. Mr. H. H. Di (China): Mr. Chairman, I wish to raise a point of order because, in the opinion of the Chinese Delegation, the Chinese proposal is the farthest from the original text, so we believe that the Chinese proposal should be put to the vote first.

CHAIRMAN (Interpretation): I will answer the Delegate for China by saying that we are not at present voting but only discussing. I also believe that it would be useful to add the Chinese amendment to our discussion and, as a matter of fact, it was Mr. Helmore himself who mentioned the Chinese amendment this morning, so I think we could also discuss this amendment.
Dr. J.E. HOLLOWAY (South Africa): Mr. Chairman, in the course of the discussion this morning it seemed to me that quite possibly certain Delegates were at cross purposes with each other about the meaning of the New York Draft of Article 13. I think perhaps if I put a very simple question about that, it would resolve this.

My question is this - I am still referring to the main New York Draft which it is proposed to amend; that draft uses the words, in line 4 of Paragraph 2(a): "would conflict with any other provision of this Charter": now would those words mean that there are any circumstances whatever in which a Member is bound to inform the Organisation every time it imposes or increases an unbound protective duty?

I think if that question could be resolved, the conflict there seemed to be this morning would be dissolved.
CHAIRMAN (Interpretation): I do not think that the time has come to raise such a question and I have in any case no qualification to answer it; but, speaking for myself, I would say that I do not believe that each time a country intends to raise a duty which is not consolidated it has to consult the Organization.

We pursue the discussion. Is there anyone who wishes to speak?

Dr. H.C. COOMBS (Australia): Mr. Chairman, it seems to me that the critical issue involved in the amendments which have been submitted is that of whether it should be the right of a country contemplating protective action at present forbidden under the Charter to take action along those lines prior to consulting with and obtaining the approval of the Organization, or whether it should be required to consult with the Organization, with other countries concerned, and to obtain approval before it takes the action. That seems to me to be the fundamental issue.

It is true that some countries attach particular importance to the right to take that action prior to consultation in connection with quantitative restrictions for protective purposes. Other countries would like to have the freedom in relation to all forms of protective action at present proscribed under the Charter.

I would like to remind delegates of the way in which our present proposals developed in London. The Australian delegation did, at the London Conference, put forward certain proposals at the beginning of the discussions on industrial development which the Conference was good enough to take as a basis for discussion. Those proposals included a provision substantially along the lines now put forward by a number of countries, i.e. that a country should be free to take action to adopt protective measures of a kind
proscribed under the Charter, subject to the right of other countries to complain and to seek to force the country concerned to obtain subsequently the approval of the Organisation.

As a result of the discussions in London we agreed to drop that proposal and to accept the one which is now in the Charter, that is one which requires prior approval of the Organisation for action of that kind. We did that as part of the general process of compromise which was in evidence at our London discussions. I do not suppose that anybody, any country, went home after the London discussions feeling that the Charter was completely satisfactory from their point of view. Compromises and sacrifices were made, I presume, by all the countries. Certainly, speaking for the Australian delegation, we believe that the Charter contains a number of elements which from our point of view are less than satisfactory. Nevertheless we were in London prepared to accept that position because we recognised that this whole process of hammering out a Charter for International Trade between countries of differing interests and differing systems of economic organisation is fundamentally one of compromise.

We are therefore - despite the fact that on the whole I think we consider our original proposals perhaps still the best - we are therefore prepared to accept and to support the compromise at present embodied in the Charter with the modifications which we have suggested in the amendments we have now put forward.

I think, Mr. Chairman, you did suggest that they differed in principle from the proposals put forward by the Indian and the Chilean delegations. I would like to suggest that they do not differ in principle; they are an attempt to go some of the way to overcome the very real difficulties associated with this procedure. Obviously, the big advantage of being able to take action in advance of
of approval is that no delay is involved. If you accept the need for prior approval it becomes desirable to reduce the possibilities of delay to a minimum, and that was our purpose— not to suggest something which was in conflict with what the Chilean and Indian and other delegations were putting forward, but to seek to obtain by other means substantially the same results. We do not suggest that they are completely satisfactory, but they go some of the way, and we are prepared, in appropriate circumstances, to support that compromise as part of a Charter which is itself a series of compromises.

There is only one thing that I want to add to that position: it is possible, indeed it is desirable, to accept compromises of a kind which involve you in accepting undertakings which it is not entirely satisfactory from your point of view that you should accept; but that willingness is dependent upon your belief that other countries have the will and the capacity to carry through their part of the compromise. Every country will come out of this discussion with certain phases of the Charter fairly close to what they would wish; there are others where they will be accepting for the sake of compromise something less than satisfactory. It is important that the countries participating should be confident that the other countries have both the will and the capacity to implement both the provisions which are satisfactory to them and the ones where they have accepted some compromise.

Now, Mr. Chairman, the position of the Australian delegation is that we have sought in the amendments which we have put forward—and I do not wish to suggest that they are by any means the last word; a number of other suggestions including that of the United Kingdom delegation obviously need to be examined together with our own—we have put forward these proposals as an attempt to meet some of the real
difficulties which we recognise inevitably exist in a formula which makes it necessary for a country to seek prior action. We do that as evidence of our capacity and our willingness to reach compromises not entirely satisfactory to ourselves; but I would emphasise that that is dependent upon our belief that other countries will demonstrate, not merely in discussions on the Charter but in their actions elsewhere, that they, too, have that will and that capacity.
MR. H.C. HAWKINS (United States): Mr. Chairman, the American delegation is in full agreement, I think, with what the Australian delegate has just said. I think he has described accurately the evolution of Article 13. We recognise that it does represent compromises and must represent a compromise.

We are in agreement in substance with the proposals made by the Australian delegation and the United Kingdom delegation regarding provisions which would speed up the action of specific proposals for the imposition of protective measures. We think that those proposals might well be made the basis for discussion.

CHAIRMAN (Interpretation): The delegate for India.

DR. P.S. LOKANATHAN (India): Mr. Chairman, the delegate of Australia has undoubtedly summarised the position quite correctly and, if I may say so, very objectively.
With his appreciation of the effects of the various Amendments moved this morning - with his narration of the circumstances that led up to this Article 13, paragraph 2, I have no quarrel. Indeed, I agree with almost every word of what he has said; but it does seem to me there is one point of difference between the way in which quantitative restrictions for protective purposes have been treated and the way in which the rest of the restrictions have been treated in this Charter. I think attention should be given to that essential point of difference. When you have tariffs you are allowed to use tariffs, and any country that wants to reserve a certain article is not expected to give any reduction in tariffs beyond the level at which he can afford to go; and therefore tariffs are permitted: if a country wants to protect in respect of an article on which it is entirely binding by an agreement, one understands that that country must go to the Organisation, and therefore a theme of that kind is different from the way in which you say, in respect of quantitative restrictions, that you ought to go to the Organisation in order to use quantitative restrictions for protective purposes.

Take the question of quantitative regulation for the balance of payments difficulties. There you allow the country which wants to use quantitative regulations for balance of payments difficulties to do so without having to come to the Organisation in the first instance. It is permitted, in regard to subsidies, to do practically the same thing. What do you say in respect of quantitative regulations for protective purposes? Article 13 paragraph 1 says "All forms of protection are allowed" - in whatever form, it is stated, it is allowed - but when you come to Article 2, paragraph 3 you are told that quantitative restrictions for protective purposes are outside the scope of this Charter. It is a violation of the
Charter when you try to impose quantitative regulations. Now it is that distinction which does not go well with us.

We cannot accept the position that merely because a country wants to use quantitative regulations for its protection it should be treated entirely on a different footing from countries which have special quantitative restrictions when in any other difficulty. The balance of payment difficulties should justify a country in using quantitative restrictions without having to go to the Organisation in the first instance, and I cannot see why the same facility should not be given to those countries.

Therefore, the question of whether you ought to go to the Organisation or not will depend upon whether we have got an agreement. The country which has tariff regulations and has therefore restricted its own powers certainly should not be allowed to violate its own agreement without consulting the Organisation previously. With respect to quantitative restrictions for protective purposes there should be certain criteria laid down, and if the country departs from these criteria then it should be open to the other countries affected to go to the Organisation. That is the real substance of our Amendment; and I think it is this distinction that should be taken into account. It is no use giving the right to take protective measures — and we have it on the authority of various Delegates that protective measures here include every kind — what is the good of giving that power, when you say the use of quantitative restriction would be a violation of this Charter? The two things do not go together. There is an inherent contradiction between 31 and 32, and this contradiction must be removed.

CHAIRMAN (Interpretation): M. Baraduc, the Delegate of France.
M. BIJARJAC (France) (Interpretation): The French Delegation has so far refrained from taking part in this debate; but I would like to remind you that we consider Chapter IV with great interest for various reasons. First of all, as already explained in London, we consider this Chapter is of great interest for countries which are insufficiently developed in the economic field, and countries which are trying to find means of assuring this economic development which is indispensable to international trade in general, and which is the chief aim of our meetings. Secondly, we also consider this Chapter with great interest because France is responsible for territories to which Chapter IV would apply directly. Finally, there are some provisions in this Chapter which apply directly to some European countries which have been victims of the War, and in that respect the French Delegation would support the Czechoslovak amendment explained this morning.

Having said this—and I would like to say immediately to the Delegation interested that they should see in our position no hostility whatever towards them—I wish to say that I consider that the debate that has taken place has been very well summed up by Dr. Coombs when he reminded us of the historical aspect of the question in London and his statement was an appeal to reason. From the debate which took place today, and as I said myself this morning— and there I agree with what the Delegate of Belgium has just said—we find that it is indispensable to make precise provision in Chapter IV or elsewhere in the Charter for the procedure to be followed. We should not confine ourselves to a declaration of principle as the Delegation of Chile might advise us to do, because the result would be a lack of balance.
between the various Chapters of the Charter, and in particular between Chapter IV and Chapter V, which are closely connected.

In that respect, I do not completely agree with what the Delegate of India said, because we find also in Chapter V, as regards the quantitative restrictions, an impossibility of applying such restrictions without prior authorisation from the Organization. Therefore, I cannot agree with the Delegate of India when he said that there was a difference of treatment between Chapter IV and Chapter V. We should, on the contrary, study closely the provisions of Chapter IV in conjunction with the corresponding provisions of Chapter V, and no difference whatsoever should be made in these provisions, which provide for protection that in some cases might be cumulative.

CHAIRMAN: The Delegate for Chile.

M. F. GARCIA-OLDINI (Chile) (Interpretation): In stressing the necessity for having precise regulations, the Delegate of France accepts tacitly the principles which we are defending, and to avoid any possible misunderstanding, I would like to state that we never said that our statement should constitute only a declaration of principle.

We have provided for some regulations in our text itself, and if it is true that such regulations are presented in a summary form, it is none the less precise and detailed. The Delegation for Chile is in addition, as I have already said this morning, ready to accept any rules proposed, provided that such rules do not go against our objectives, and if this morning we said that we refused to take as a basis for discussion the Australian amendment, we none the less consider
this amendment as a good plan or as a good framework where various provisions not contained in our proposal could be inserted.

CHAIRMAN: The Delegate for Brazil.

Mr. J. G. TORRES (Brazil): Mr. Chairman, this morning after having studied the proposal put forward by the Australian Delegation, we expressed the view that after the exchange of views in this Commission, it might be adopted as a Working Paper or a basis for the work of the sub-Committee. I think we have now come to the conclusion that there seems to be a consensus of opinion in this Commission that the Australian paper, possibly associated with the English paper, if we decide precise dates, would exactly fulfil that purpose. This is especially so after we have heard the very interesting exposé of Dr. Coombs and after having heard the views of the French Delegation. I would, therefore, move, Mr. Chairman, in order not to prolong this discussion, that we refer the matter to the sub-Committee and adopt the two papers as a basis for the work of the sub-Committee.
CHAIRMAN (Interpretation): At the time when the delegate for Brazil was speaking, I was about to make a similar proposal to the Committee. I think we can therefore consider the discussion as closed, and ask the Sub-Committee to try and harmonise the text.

We have now to study the second fundamental question, which is the question of preferential arrangements. I would remind the Committee that two delegations - Chile and Lebanon - wish to insert these regional preferential arrangements among the means tending to economic development of undeveloped countries. The discussion is open on this part. Is there any delegation wishing to speak on that point?

Mr. HELMORE (United Kingdom): Mr. Chairman, I simply want to ask the Chilean delegation how this amendment of theirs would work. What we are talking about in Article 13, and particularly paragraph 2, is the adoption by a member of a particular device. Now, if I understand preferential arrangements - and that may be somewhat doubtful - it seems to me that there are at least two people involved in preferential arrangements, and I suppose that if one calls those members A and B and they are both in the same stage, as it were, of economic development, and both decide to adopt such measures, one could conceivably, with some straining of the language, get the Organization to approve the adoption by A of a measure which will assist B's industrialisation, and the adoption by B of a measure which would assist A's industrialisation. But if A and B were not in the same stage of economic development, as might happen, then I cannot see how this amendment could achieve the object which it is intended to fulfil.
Mr. F. GARCIA OLDINI (Chile) (Interpretation): I think the aim of my amendment can be summarised in a few words. First of all, in answer to the Delegate of the United Kingdom, I would like to tell him that the idea underlying our amendment was precisely elaborated during a conversation I had with him. I think, further, that there is no confusion in our text. It says that the Members recognise that, in the case of certain industries which it may be necessary to develop, they can call upon special governmental assistance, including protection or other measures.

I see nothing illogical there and I see no mention of one Member only. It is obvious that if one of these measures is a preferential agreement, two or three Members, in general, will be involved. In that case the measures which might be used would affect two Members and the regulations and procedure which would have to be established would have to be followed by those two Members.

The reason why we have to consider that regional arrangements should be included in these provisions is that if we limit to capital investments the action which might be taken in order to develop an under-developed country, then we run the risk of having industries which will be useless or, so to speak, still-born, and such industries will not be able to find outlets for their products.

It is necessary to have a large market and in order to have this market it is necessary to have arrangements and agreements with other countries to enable the new industries to live and not to become a new burden on the country which creates them.
We are prepared of course to accept capital in order to develop certain industries but these industries, in order to live, must have a stable and expanding market and it is difficult to find such a market if we limit our field of activity to these under-developed and small countries. Preferential arrangements would therefore help in finding the necessary markets, which are indispensable. If not, we have two alternatives; either we shall not be able to find the necessary capital, because the investor will consider that an industry cannot live, or any industry created will be still-born.

CHAIRMAN: Does any other Delegate wish to speak?

M. Jussiant.

M. JEAN JUSSIANT (Belgium) (Interpretation): The Belgian Delegation has studied the Lebanon amendment with interest. Being ourselves a small industrial country with a very small market, we realise very well the difficulties of the situation and in the past we have made various efforts to obviate that situation. In particular I would mention the Conferences of Oslo and Ouchy, but the agreements which were passed during these Conferences were of a completely different kind. The idea was merely a reduction of customs duties and not any restrictions, whereas the amendment which has been submitted by the Lebanese Delegation might cause some confusion.

We envisaged various preferences which would aim at making some reserves and having extensive markets, but it might be a dangerous tendency. If we are in favour of expanding markets as much as possible, we do not think that such provision should be included in this Chapter, which deals with the development of under-developed countries.
I would mention that not all small countries are undeveloped economically and I think therefore it would be better if this idea could be included elsewhere in the Charter. I have been wondering whether it is a good idea to include such a provision in the Charter at all, because the main object of the Charter is the reduction of customs duties and the stabilising of those duties and therefore/creation of larger markets which will ultimately be of profit to the small countries.
Mr. J. MIKAOU (Lebanon) (Interpretation): Mr. Chairman, this morning my colleague has already explained to the Committee the objectives of our amendment. I would not come back to that, but I would like to remind the Committee that we do not ask for the guarantee of a preferential system automatically, even to neighbouring countries, or countries which are economically on the same level. We do not ask this automatically, but only with reference to the Organization. Therefore we think that our amendment is really moderate, and should be included in Article 13. All we ask is that the Organization may study with care the regulations which might be established for a preferential system in order to develop our markets and our products.

Mr. R.L. FRESQUET (Cuba): Mr. Chairman, we are here engaged in an enterprise in trying to free world trade. Sometimes we think that we are in a laboratory trying to invent more devices to restrict world trade! Nevertheless, there are two justifications, or two exceptions to that general or main rule of our behaviour here, the rule that applies to those nations devastated by war and the rule that applies to those nations under-developed economically. We have agreed to that already.

These two rules are practically of the same nature: that is why we agree entirely with the proposal of the delegate from India that those two rules should be treated accordingly on the same footing. There is a minor difference between the two, nevertheless, and this minor difference is that in the case of countries devastated by the war the measures to protect their economics are of a global nature, that is, applied to the whole of their balance of payments; whereas in the case of under-developed countries, the measures should be taken individually to protect infant industries in need of such protection. But in both cases there should be a time limit.
If we treat this matter in Article 26 or in here, I think we can go further than following any particular amendment and we will be able to be fair to those conditions. But I do not think that in this Chapter is the opportunity to introduce a new exception to that general rule, an exception that will lead to the establishment of regional economic groups. I do not think the amendment belongs here and, may I dare to say, maybe it does not belong at all in the Charter. Protective measures are in our judgment in the case of under-developed countries designed to protect particular industries at particular countries. This new amendment presented by the Lebanese delegation will broaden tremendously the scope of that purpose and will provide a protection and not only the protection by means of quantitative restriction but by means of exception to all the rules of Chapter V, the industries of two or more countries going, as I said before, to the establishment of a regional economic group. That, in my judgment, is one of the strongest obstacles that we can put in the way of freeing world trade.

CHAIRMAN (Interpretation): Does anyone else wish to speak?
CHAIRMAN (Interpretation): I believe that the situation is not very clear. I must say that as your Chairman I find it somewhat difficult to refer this question to the sub-committee as it stands at present. I do not see clearly if there is here a majority in favour of the amendment. The delegate for the Lebanon has just told us that he was very modest and nice, that he did not want to be obstructive, but that as a representative of a country which is not fully developed yet economically it seems to him that he is entitled to some measure of protection including preferential arrangement, it being understood that such arrangements will be subject to the procedure which has been mentioned in that case.

I would like to know whether you wish to accept this interpretation, and whether, in that case, the sub-committee might draft a text embodying this idea.

MR. C. WILCOX (United States): Mr. Chairman, I find in the present drafting of the Charter in Article 38, paragraph 4 these words: "the Members recognise that there may in exceptional circumstances be justification for new preferential arrangements requiring an exception to the provisions of Chapter V. Any such exception shall conform to the criteria and procedures which may be established by the Organization under paragraph 3 of Article 66". It is not clear to me whether it is the intention to move the deletion of this paragraph and the substitution of the wording suggested for paragraph 13, or to retain both paragraphs. I should like to be enlightened on that point and be informed why it is necessary to make the same exception twice in the document.

MR. J. MIKAOUI (Lebanon) (Interpretation): In New York, in the discussions which took place there, some of our colleagues
already reserved their position on Article 38, and we/find these reservations again, no doubt, when Article 38 is in discussion.

The other countries, those countries which were formerly part of the Ottoman Empire, have a tendency in order to develop their industry and their economy to grant preferential systems. The amendment now under discussion was also mentioned and submitted in New York, and I wish to maintain it all the more as I believe, if I have understood correctly, that it is in conformity with what the Australian delegate has said previously.

The procedure is already provided for by the Charter because the Members may ask permission of the Organization to establish a preferential system, but what we wish is to revise the procedure and ask the Organization to consider favourably a request of that kind in order to develop the exchanges of countries which formulate such a request. I draw your attention to the fact that our proposal would not duplicate with other amendments of texts which might be adopted, because we are not trying to restrict the entry of imported goods, but simply to facilitate the gaining of more extensive markets for our products.
Mr. GARCIA-OLDINI (Chile) (Interpretation): When the question was discussed at the same time as the discussion on Article 14, we suggested that a Sub-Committee be appointed to study it and at the same time Articles 13, 14 and 38, and unfortunately the Committee did not follow us, and at the time when the vote was taken it was stated that the vote was not on the substance of the question, but only on the insertion of our proposal in Article 14; and that the question should be taken up again when Article 13 or 38 came under discussion.

Now we are discussing Article 13, and we remember what was said when our proposal was submitted. We are submitting an Amendment on Article 13 which is not entirely satisfactory to us, but which at least leaves the door open, and of course we agree that some precision and some regulation would be necessary; but now we hear the Delegate of the United States suggesting that the question should not be discussed with Article 13, but possibly with Article 38. We find ourselves, therefore, in a very strange situation. At the time when we discussed Article 14 we were told that the question would be discussed in the discussion of Article 13. Now we are discussing Article 13 we are told we should not discuss that now, but Article 38; therefore, I wonder whether it would not be possible to study Articles 13 and 38 together, and decide whether our Amendment should be inserted somewhere in one of these Articles or rejected altogether.

CHAIRMAN: (Interpretation): The Delegate of the United States,

Mr. WILCOX (United States): I think the Delegate of Chile may have misunderstood my question. I did not suggest that the question should not be discussed in this connection. I merely asked if it were discussed in connection with Article 13, and action were taken in connection with Article 13, whether it would
be probable that paragraph 4 of Article 38 would be removed from the Charter. I should think it would then be redundant, and would mean the same thing.

Really, what seems to be involved here is whether the matter of determining criteria and procedure is going to be undertaken by the Organisation as provided in Article 38, paragraph 4, or is going to be undertaken here and now by the Sub-Committee; and I think if the Sub-Committee considers this problem it should consider the two Articles together, because they are obviously related.

Mr. GARCIA-OLDINI (Chile) (Interpretation): I see no disadvantage to any Amendments or procedures being studied and kept, if necessary, in the various Articles. In this Article 13 we are only dealing with economic development. In the other Article 38 the text mentioned is dealing with another situation, which is much broader and somewhat different. Therefore I think there would be no disadvantage in keeping the text of Article 38, even if our proposal be accepted for Article 13. Of course, if we accept our proposal for Article 13, it might be necessary to change the text of Article 38, but I see no disadvantage in keeping it.

CHAIRMAN: (Interpretation): I believe that now the situation is clarified. There is no formal objection to the consideration of the Lebanese Amendment, supported by the Delegate of Chile. I therefore propose that this Amendment be referred to the Sub-Committees for final drafting. Of course, it will be impossible to deal with this Amendment without any reference to Article 38, paragraph 4, and this text will have ultimately to be altered. Therefore, I see no disadvantage in asking the Sub-Committee to study the insertion of this Amendment in Article 13, and make a proposal for a new drafting of Article 38.
Dr. HOLLOWAY (South Africa): Mr. Chairman, on a point of correction. I do not know whether the translation exactly conveys what you said. I understood you to say that there is no objection to the Amendment of the Delegate of the Lebanon, supported by the Delegate of Chile, going forward for further study. The translation said, "There is no objection to the Amendment". There may be very strong objection to the Amendment.

THE INTERPRETER: I said there was no objection to the Amendment being considered. I have got it in my paper.

CHAIRMAN (Interpretation): The Chilean Amendment is to be treated exactly on an equal footing as any other Amendment. It is referred to the Sub-Committee for consideration.

We now have to decide on the proposal made by Mr. Coombs, which consists in adding a new paragraph 13(A) - a new Article - dealing with the countries which may wish to join the International Trade Organisation, and therefore would have to agree in advance to the provisions of the Charter.

Is there any objection to referring this Amendment to the Sub-Committee?

Dr. COOMBS (Australia): If I may make one small point of explanation. The misunderstanding arose from the wording of my statement; but from your summary of the proposal there does appear to be a suggestion that this proposal would refer only to new Members and not to original Members, if you might call them that.

It was our intention, of course, that this transitional period would be available to all Members - original ones, as well as new. In effect, it gives all Members who become subject to the provisions of the Charter a period of time in which to put their house in order.
CHAIRMAN: The Delegate of the United Kingdom.

Mr. J.R.C. HELMORE (United Kingdom): Mr. Chairman, this morning when I was speaking of the United Kingdom amendments, I pointed out that we had been thinking of the same point as is dealt with in the Australian Article 13A in a new paragraph which we suggested for addition at the end of Article 13 as new paragraph (e). I attach no importance whatever to the point as to whether it comes as a new Article altogether or a new paragraph in the old Article; but I think the point to which the Australian Delegate has just called attention, namely, whether this applies to new Members joining the Organisation or to original Members at the time they joined the Organisation, is one which the Drafting Committee will have to look at.

You will see that our version refers to the date of entry into force of the Charter, and that, of course, is applicable to what I might call original Members.

There is one other point which I would like to suggest that the sub-Committee should consider, and that is that we do not wish to see, because this "let-out" for existing operations is put into the Charter, one day before the Charter comes into force all the countries in the world put into force every single measure of this kind that they can in order to get in first. I think it is a difficult point to meet, but obviously there might be some — clearly none of the original Members who might be those sitting around this table would do such a thing — but there might conceivably be some Governments somewhere in the world which would seek to take advantage of a provision of this sort, and it seems to me that it needs some careful thought to see how we can avoid that situation.
Mr. Clair WILCOX (United States): The amendment 13A proposed by the Delegation of Australia raises the question as to the time which is to be applied to the measures in question. I think there is difficulty both as to the use of the time of ratification and the time of joining the Charter and perhaps a good timing would be the adoption of the date May 28th 1947. That is, I think, a matter to which the sub-Committee should give some attention.

There is another matter in the next line. The proposed amendment treats in the same way measures which conflict with the provisions of the Charter and measures which conflict with any obligation which a Member may assume through negotiations with another Member or Members.

Dr. H. C. COOMBS (Australia): May I say that those words remained inadvertently and we did propose to suggest that they should be cut out.

Mr. Clair WILCOX (United States): I have no objection to this Article going to the sub-Committee, but in the same way in which the other Article went to the sub-Committee for consideration.

CHAIRMAN: Does any other Delegate wish to speak?
M. STANISLAV MINOVSKY (Czechoslovakia) (Interpretation): I wish to point out that there are some protective measures which are already authorised by the Charter for the duration of more than one year. I therefore assume that it would be useful to add a sentence to the text of Article 13A as it stands: "Where a member is, at the time of joining the Organization, using any protective measure which conflicts with the provisions of the Charter or with any obligation which the member may assume through negotiations with any other member or members, and which is not covered or allowed by some other provisions of the Charter, that member should not .... etc." There are, as I said before, some exceptions provided for two or three years, as is, in particular, the case of occupied countries.

CHAIRMAN (Interpretation): If I have understood well, the delegate for Czechoslovakia wishes this amendment, the principle of which, he accepts, does not go further than other Articles of the Charter to deprive members of rights already granted to them by other provisions. I think we can leave that question to the Subcommittee.

Mr. J.J. DEUTSCH (Canada): Mr. Chairman, I would like to ask a question for purposes of clarification. I wonder whether Dr. Coombs tends, in this amendment, to include protective measures or to refer to protective measures whether or not the items are included in the tariff agreements? In other words, I can see two possibilities. One is protective measures applied on items which are not bound in the tariff agreements or protective measures, whether or not they are bound in the tariff agreements. It makes a considerable difference as to which is intended.
Dr. H.C. COOMBS (Australia): As I pointed out when the delegate of the United States was speaking, it was our intention to delete from Article 131 the words following "provisions of the Charter" down to "member or members". If those are deleted, it is clear that our suggestion for this transitional period applies only to those protective measures which conflict with the provisions of the Charter which would not include, of course, tariffs.

Mr. J.J. DEUTSCH (Canada): Mr. Chairman, I am sorry to detain the Committee again. My question was this. If a member agrees to bind the tariff item in agreement, may that member continue to apply a quantitative restriction pending the determination by the Organization, or may it not? There are two questions. Some items will be bound in tariff agreements, and other items will not be bound in tariff agreements. May a member continue to use protective measures contrary to the provisions of the Charter for both types of items or only for the types that are not bound?

Dr. H.C. COOMBS (Australia): Mr. Chairman, as I see it, it would depend upon the nature of the tariff agreements. If the tariff agreement was entered into, binding a particular item duty at a time when a quantitative restriction was operative on that item, and the fact that that quantitative restriction was operative was known to both parties at the time when the agreement was entered into, it seems to me then, that it would be reasonable for this item to allow the continuance of that quantitative restriction in the same way as the quantitative restriction on any other item. If of course such quantitative restriction was not operative by which the tariff agreement was intended, then it would be different. I think it would be unlikely, in those circumstances, that a
quantitative restriction would be imposed subsequent to an agreement on an item bound in such an agreement, and if an attempt were made to act in such a way it would be capable to act under the terms of the Charter.

Mr. CLAIR WILCOX (United States): I do not believe the answer given by the delegate of Australia meets the problem raised by the delegation of Canada. It seems to me that what was really intended here does not conflict with any of the provisions of the Charter or with any obligations that members may assume through negotiations. What was intended was measures which conflict with the provisions of the Charter, and do not conflict with any obligation which the member may assume through negotiations with any other member. Certainly it would not be the intention of Article 13A, as proposed, to abrogate from the text of the Charter. This is a problem I suggest we leave to the careful attention of the Drafting Committee.
CHAIRMAN (Interpretation): I believe we can entrust the Sub-Committee with the care of drafting finally Article 13A.

M. Baraduc, would you like to say anything?

M. PIERRE BARADUC (France) (Interpretation): I think the amendment presented by the Delegate of Australia certainly deserves to be taken into consideration, with the other amendments, by the Sub-Committee, but, insofar as it applies to the rules to be observed by new Members joining the Organisation, it seems to me that it raises an objection of principle that does not apply only to this Chapter. I do not think that anywhere in the Charter we have envisaged its application to new Members who were not signatories to the Charter but who ultimately apply for Membership of the Organisation. I think it might be useful to envisage the insertion of a special provision covering the whole Charter but applicable in general to those new Members.

Let us take, for instance, the case of two governments who have had agreements with one another for a long time, agreements which provide for discriminatory measures: are they going to be obliged, when they join the Organisation, to cancel those arrangements altogether; are they going to be given time to do so, or what is the procedure? I think we should cover that in the Charter.

CHAIRMAN: Mr. Helmore.

Mr. J.R.C. HELMORE (United Kingdom): Mr. Chairman, if I might attempt to deal with the difficulty which M. Baraduc has just raised, the two cases seem to me to be entirely different.
In the case of an arrangement for mutual discrimination, that is outside the provisions of the Charter altogether and if countries want to join the I.T.O. it seems to me they must give that up before they join or at the time of joining, or, conceivably, they could negotiate with the I.T.O. about what latitude should be given to them in bringing such an arrangement to an end.

In this case we are considering an Article which allows, after consideration item by item, the use of a particular device and it seemed to us that it would hardly be sensible to require everybody to give up the use of these devices, only to apply, the day after they join, for permission to use them again, and possibly to receive it within five or six months.

That is why the two cases seem to me to be on an entirely different footing. If a thing is forbidden, one gives it up before joining. If a thing is permissible after consideration by the Organisation, then in principle at any rate there is a case for allowing it to continue whilst the Organisation considers it.
MR. J.J. DEUTSCH (Canada): Mr. Chairman, this raises some rather large questions with regard to tariff negotiations. If countries are permitted to continue quantitative restrictions for a period and then may request for the indefinite continuation of them later from the Organization, that means that in the case of negotiations on tariffs, you have to ask in each case whether a quantitative restriction exists, and if so, whether the country using the quantitative restriction will desire to continue with it after asking permission from the Organization.

Now, that puts a different complexion on the tariff which you are negotiating. It seems to me that you are now into negotiating both tariffs and to some extent quotas. That was not the intention. So far, we have all assumed in our tariff negotiations that quantitative restrictions are excluded. If anything like this is adopted, that assumption can no longer be used. I just want to suggest that that raises some rather large issues with respect to the second part of our work here at Geneva, and I hope the sub-committee will keep that in mind when they come to consider this matter.

CHAIRMAN (Interpretation): Does any other delegate wish to speak?

The Australian amendment will therefore be referred to the sub-committee, which will take into account the observations just made.

We have therefore finished with the debate on Article 13. We have now to discuss the fundamental questions raised by the delegation of the United States as regards Capital Investment and Movement of Capital.

I will remind you that two delegations had asked for this question to be reserved for today. They are the delegations of
Cuba and India. I therefore assume that the delegations are now ready to discuss the question.

DR. GUSTAVO GUTIERREZ (Cuba): Mr. Chairman, we are ready for the discussion. I will not speak at the moment, but when the question arises.

CHAIRMAN (Interpretation): But the debate has already taken place, and in order to conclude we are merely waiting for the opinions of the delegates of Cuba and India, who asked for the matter to be postponed.

DR. GUSTAVO GUTIERREZ (Cuba): Mr. Chairman, we would simply say at this moment that we are very sympathetic with the proposal made by the United States delegation. Our main objection to it is that we do not consider it convenient or proper to introduce an amendment in the title of the Chapter. We consider that it should be left like it is and called "Economic Development". Probably there could be inserted a special Article which could perhaps be entitled "International Investment for Economic Development".

Then, on Article 12 we would suggest some slight alterations. We are absolutely ready, and we welcome the investment of foreign capitals and we consider that it is of prime importance for the development of under-developed countries to grant to those foreign capitals an equal position of guarantees, but they should be drafted as carefully as possible so as to give foreign capitals a better standard than national capital, not avoiding the possibility of the national capital to work for the development of the country, and at the same time, not leaving any possibility for foreign capitals to mingle into political questions. That is our position.

With that in mind, we think that this Chapter should introduce the biggest part of the amendments of the United States delegation.
CHAIRMAN (Interpretation): The delegate for India.

DR. B.N. GAIGULI (India): I am sorry to say that the Indian delegation is in the position of being caught napping. The Leader has just left as we expected that the matter would not be taken up at the last end of this meeting today, but since the question has just been raised, I should like to say very briefly the position of the Indian delegation with regard to this very fundamental question.

We feel that we are not inclined to favour any detailed procedure being adopted with regard to the treatment of capital and enterprise in a particular country which has borrowed capital from another country. We have noted the detailed procedure which has been laid down in the terms of the American amendment. We feel that it should be the business of specialized agencies, like the International Bank or some kind of reconstruction organization, to lay down conditions under which foreign capital might be permitted to move from one country to another, either for purposes of development or for purposes of reconstruction. We are in favour of laying down a very general principle embodying the essential safeguards for creditor countries. We feel that the purpose might be served by the statement of a general principle, not necessarily in terms of paragraph 2 of Article 12, which in our opinion is rather too comprehensive, but the purpose can be served very well in terms of the amendment which we have proposed.

Here we say: *each Member which receives facilities for its industrial and general economic development shall not only carry out all international obligations regarding the treatment of the enterprises, skills, capital, arts and technology imported from other countries to which it may be subject or which it may undertake pursuant to sub-paragraph (c) of Article 61 or otherwise, but also*
shall in general take no unreasonable action injurious to the interest of the particular business entities of persons within the jurisdiction of other Members which supply it with such facilities". The words which occur at the end of the sentence are, in our opinion, the significance so far as the point on our amendment is concerned.
We do not want to undertake any sweeping and general obligation with regard to the treatment of foreign enterprise, or things like that, but if a particular country has imported the enterprise, skill, capital, arts or technology of another country we think that the creditor country is justified in asking for a safeguard of this character.

Therefore, we want to limit the obligation of a particular country regarding the enterprise, skill, arts or technology which may be provided by a particular country; but beyond that we are not in favour of laying down any general obligations.

CHAIRMAN: (Interpretation): The Delegate of New Zealand.

Mr. WEBB (New Zealand): Mr. Chairman, the New Zealand Delegation feels with the Delegation of India that it is inexpedient and a little unwise to attempt at this time to give as much precision as it is apparently sought to give to the provisions of the Charter relating to international investment.

It is our view that the matter is for the purposes of the Charter adequately dealt with in Article 51(c), and again in Article 12, paragraphs 1 and 2; and we further attach some importance to the fact that at the meeting of the Economic and Employment Commission of the Social and Economic Council which begins on June 2nd, the Agenda includes the consideration of international action for facilitating the better utilisation of the world resources of manpower, materials, labour and capital. It seems to me that by adopting the American series of Amendments we would be destroying the balance of this part of the Charter by elaborating and emphasising one of the factors in progressive economic development. It seems there are other factors which might equally be elaborated, because they are equally important; but I think what is more serious is that we would be, by tackling this Amendment, approaching an important problem in what seems to me a partial and a hurried manner. I say "partial" because it seems
to me that if we are going to tackle this problem of international investment we should tackle it as a whole, and not merely tackle one segment of the problem, which is the problem of what one might call private international investment.

What is proposed here is a code for private international investment, and one might elaborate a code for Government to Government lending. It would be an interesting document, but I do not know that it would be a wise document to place before this Conference at this time. I say "hurried", because although I do not doubt that the American Amendments have been very carefully considered, yet I do not think that this Conference has the time to tackle the problem in all its aspects. It seems to me that we should look at the whole problem if we look at it at all, and that would include lending by Governments and also, of course, by private investors. And furthermore, that we should consider the obligations of lenders as well as of borrowers, and that we should not attempt to deal with the whole matter by applying a few simple principles of equity.

It is for those reasons that we feel that it would be wise to leave the matter more or less as it stands in the Charter at the present time.
CHAIRMAN: The Delegate of the United States.

Mr. Clair WILCOX (United States): With reference to the comments made by the Delegate of India, I should like to say that our Delegation is in agreement with the purpose of the amendment proposed by the Indian Delegation which appears at the bottom of Page 5 and the top of Page 6 of the Secretariat's Agenda. The significant point there is the introduction of the word "particular", and I think this was always the intention of that section, and the amendment as suggested makes it explicit.

The other point that was made was that the International Bank for Reconstruction and Development may have an interest in problems in this area also, and I would suggest that when a sub-Committee considers this matter the Representative of the Bank be asked to be present and give us the advantages of the views of the Bank.

Mr. L. GOTZEN (Netherlands): Mr. Chairman, I am afraid I cannot agree with the remarks made by my colleague for New Zealand on this matter, as, in my opinion, the Articles proposed by the American Delegation form, as I have already said, a very valuable counterpart of the Articles on economic development. In the world, as it is now, there are great capital funds awaiting an opportunity of fertilising the fields of economic development, and I am very much afraid that if we should not set up some court on investments that it would be quite difficult for these capital funds to indeed fertilise those fields.

As to the time we have had for studying this matter, I should say that as the Session is not yet over, and I think we will be here for many days or many weeks, even perhaps a few months, we all have time to study this matter, and at the end of the Session, we might come to a conclusion on these matters.
Dr. H.C. COOMBS (Australia): Mr. Chairman, it is clear that when the Sub-Committee comes to deal with these suggested amendments it will have to take into account not merely the economic implications of these proposals, but the political aspects of these questions, which may well prove to be very complex in character and indeed some of them may prove to be beyond the normal field of competence of people at this Conference. I daresay the Sub-Committee will find that out - if I am correct - as they proceed. I wish, however, to make a specific suggestion. In our preliminary consideration of this it has occurred to us that, in the Articles of Agreement of the Monetary Fund, countries are given the right to control capital movements. Furthermore, it is provided that they may be required by the Fund to control capital movements. Now, the precise implication of that right and that possible obligation on the proposals which the United States have put forward, are not clear to me at this moment. But I would suggest that the Sub-Committee, when it comes to consider this question, should consider it in the light - along with other things - of the intentions lying behind the Articles of Agreement of the Monetary Fund in relation to the movement of capital, and that for that purpose it would, perhaps, be advisable for the Sub-Committee to call into consultation the representative of the Fund who, I understand, is here.

Mr. ANSELY F. THYNOSE (Representative of the International Bank): Mr. Chairman, after the release of the United States proposal on investment, I have cabled the International Bank to enquire as to their views on the proposal. I have been informed by the Bank that they would like to have it included in the record that they
are entirely in sympathy with the general purposes and objectives of the proposal that has been made. They wish me to add, however, that obviously they had not had time to study the precise language and they are not attempting to deal with the precise form or phraseology which should be used, but they do feel that it is important in this area to encourage as far as possible the use of private capital in international investment, and that, therefore, if it is possible or practicable to work out some proposal of this character, that it might be a thing worth while doing. I would like to add, too, that the Bank has authorised me to say that if the proposal along this line was adopted, the Bank would be very happy to co-operate in every possible way in carrying it out and in doing what they can to make a success of that. Obviously the Bank does not want to enter into any discussion as to whether this should be an ITO or United Nations wording. Their interest is only to see that something along this line - if this Committee should find it practicable - should be given whatever encouragement is possible to accord them. I might further add that obviously the term "international investment" is extremely broad. Obviously the Bank would regard the provisions here contemplated as dealing with a field other than the Bank itself - that is the limitations and powers of the Bank as spelt out in its Charter. The Bank is not in any way inclined to encroach in the field of anything of that character but would simply facilitate the discussion by making it clear that we do not attempt to claim any authority in this field nor likewise do we believe that it is your wish that the Article would be in any way amended by this procedure.
CHAIRMAN (Interpretation): I thank the representative of the Bank for his statement.

Mr. C.H. CHEN (China): Mr. Chairman, in the last meeting the Chinese delegation supported the United States proposal of adding the international investment to this Chapter. But at the same time we expressed our view that the text, as proposed by the American delegation and stated on page 6, we wish to amend. Concerning the first paragraph, in the last sentence we wish to add a few words. Instead of the word "supply" we wish to amend it to "undertake to supply in accordance with its laws, regulations, or the treaty obligations it has assumed". In the second paragraph, after the word "statement" we wish to add the words "of policy". Concerning the last sentence, we also wish to make changes, namely "treatment no less favourable than that accorded to the citizens or legal entities of any third country" is, in our opinion, more appropriate in a bilateral treaty, whereas we are dealing with a Charter of multilateral character and containing the Most-Favoured-Nation clause already stated in another Article, so that it seems unnecessary for us to retain this phrase in this paragraph.

And of course we are aware that any third country may be a non-member country, but we hope that, eventually, all countries will join this Organization and any member who will join this Organization, will, of course, undertake to observe all the obligations stated in other Articles of this Charter. So in principle, we support the American delegation's proposal to have this addition included in this Chapter, but as to the text proposed, we wish it to be carefully considered by this Committee.
CHAIRMAN (Interpretation): I believe that a strong majority of Members have given their opinion in favour of the United States amendment. Therefore, after the debate which took place yesterday and again today, we can ask the Sub-Committee to study these Articles and draft a final text which will take into account all the opinions expressed.

Are you all in agreement?

(Agreed).

There is one question at least on which I want to have your opinion before we can adjourn: that is the amendment presented by the South African Delegation, which is contained in Document W.102, but I believe that the Delegate of South Africa would like to explain his amendment himself.

Dr. J.E. HOLLOWAY (South Africa): Mr. Chairman, I would like to suggest, after we have had a whole day debating an Article with the unfortunate number of 13, that to come along at this stage with a proposal which, although it is quite small in its particular context, affects a large number of Articles in the Charter, would be a most unpopular move. I therefore propose that we should sit again.

Dr. GUSTAVO GUTIERREZ (Cuba): For the very same reasons, and some others, we may have to have the complete deletion of the whole paragraph, so I do not know if it will be preferable to submit the whole thing to the Sub-Committee.

Dr. J.E. HOLLOWAY (South Africa): Mr. Chairman, I do not think it is a matter for the Sub-Committee that I am raising. I am raising a point of order, whether at this late hour we should start on an entirely new subject which will keep you very long and the discussion of which, in any case, will not be concluded.
I do not think it is fair to produce what I can assure you is an important subject relating to the whole construction of the Charter at this time of the day.

CHAIRMAN (Interpretation): It was my intention to conclude the discussion on Chapter IV today. However, in view of the suggestion of the South African Delegate we shall have to meet again tomorrow. In that case, we shall adjourn until tomorrow morning at 10.30, when we shall study the South African amendment. Committee B will meet tomorrow afternoon.

M. STANISLAV MINOVSKY (Czechoslovakia) (Interpretation): Mr. Chairman, in view of the great importance for Czechoslovakia and Central Europe as a whole of the United States amendment to Article 12, I would ask whether Czechoslovakia could follow the debates of the Sub-Committee when it discusses the United States amendment. This is only a request and I do not insist if it is not possible.

CHAIRMAN (Interpretation): I cannot, of course, answer for the Sub-Committee, of which I am not a member, but it has always been understood, for Chapter IV as well as for the preceding Chapters - that the Committee could appoint any Member who might be interested in a given question. I am sure that if you apply to the Sub-Committee you will be invited to the debate.

Mr. E. WYNDHAM WHIT(Executive Secretary, Preparatory Committee): Mr. Chairman, the modification of the arrangements which have been suggested by the Charter Steering Committee and approved by the Preparatory Committee does raise certain procedural difficulties and I think if we are to keep within the arrangements made by the Charter Steering Committee we shall have to envisage Committee B meeting tomorrow morning at the same time as Committee A, or, alternatively, of having a second meeting of Committee B on Saturday morning.
MR. E. WYNDHAM WHITE (Executive Secretary) (Contd.): I think that the Chairman of the Charter Steering Committee would agree with me that the modification of dates at this early stage would make a serious alteration in the arrangements which the Steering Committee has laid down, and I am wondering which of those two arrangements commends itself most to the Committee. Either the first meeting of Commission B should take place tomorrow morning as planned, but simultaneously with a further meeting of Commission A, or the second meeting of Commission B should be postponed until Saturday morning.
Mr. WILCOX (United States): The Steering Committee was meeting to-day in an attempt to re-schedule the meetings at the beginning of next week. It is extremely important that this Commission and Commission B complete the work on Chapters 4 and 6 this week. Now that could be done by a simultaneous meeting with Commission B on Chapter 6, if we thought it would be feasible and possible. If that should not be possible, then I should think that the meetings on Chapter 6 in Commission B should take place on Thursday afternoon, Friday morning and afternoon, and Saturday morning. That would enable that Commission to complete its work. I think it would be preferable, however, if we could meet simultaneously as previously stated.

CHAIRMAN (Interpretation): I am compelled to ask various Delegations for their opinion, because the simultaneous meeting of two very important Commissions might raise difficult problems on some of these.

Mr. GARCIA-OLDINI (Chile) (Interpretation): I have already explained on various occasions the difficulties experienced by the small Delegations, and it seems to me rather strange that each time when there is a question of this kind we are told it is absolutely imperative to adhere to the schedule established, and our possibilities are not taken into account. I think we should adhere to the plan within the limit of our possibilities, and I think when there is a conflict between schedules and our possibilities the Schedule should be changed, and our possibilities only should be taken into account, if we want to do good work; and furthermore, I think that when such a change in the schedule is contemplated the Delegation should be informed in due course, so they can see whether it is possible or not for them to adhere to that proposal.

Mr. GUTIERREZ (Cuba): We have had to-day a meeting of this
Charter Steering Committee and of the Working Party, and we have almost come to an agreement as to how to handle this situation and the time-tables. I think that if we can ask our distinguished colleague from South Africa to drop his proposal of discussing this matter as a matter of fundamental principle, taking into account that everything in life is relative - even the existence of us - I think that this question could be settled at once: if he is good enough to let this matter be discussed in the Sub-Committee; and as the Report of the Sub-Committee is coming back to the Executive Committee we would have a long discussion about that.

I think that would be the most simple thing, because probably to-morrow the two Steering Committees will find a way out of this situation.

Mr. HELMORE (United Kingdom): I wonder if I might make a suggestion which would help. I strongly suspect that the Delegate from South Africa would not be prepared quite to agree with the suggestion that has just been made, because I made it myself privately just before, and he said "No!" very firmly to me; but I would like on behalf of (if I might presume to call them so) the large Delegations to assure the Chilean Delegation and other small Delegations that we have our difficulties too. There seem to be an awful lot of us, but it takes just as much time to get the right people at the right place for the right meeting as it does in a small Delegation.

The specific suggestion I would like to make is that we should stick to the business as arranged for to-morrow. That I think is a convenience to everybody: They have probably made plans and got ready for it. That would give us two meetings of Commission B to-morrow. Then on Friday morning - not to-morrow morning - we should deal in this Commission with the South African
proposal, and probably go on with Commission B in the afternoon.

I know it is very dangerous indeed to prophesy on these matters, but I have been looking at the Amendments which have been suggested for Chapter 6, which has to be taken in Commission B, and they seem to me to be neither so numerous nor so fundamental as those we have been discussing this afternoon; and it is conceivable that in three meetings Commission B would finish its work, especially if everyone there were animated by a desire to get it done as quickly as possible in order to keep to the time-table.

I believe that is an arrangement which would meet the convenience of the greatest number of people, and if a meeting on Saturday morning had to be arranged for a short time to finish up the fourth part of Commission B's work, that would be the least inconvenient re-arrangement.
Chairman: The Delegate of South Africa.

Dr. J.E. Holloway (South Africa): Mr. Chairman, if the time for discussion has got to be rationed, then it should be rationed so as to give the various Delegations an opportunity. The difficulty now is that it has got to be rationed or otherwise all Delegations, particularly small Delegations, have got to be put to a great deal of inconvenience. I am not prepared to put other small Delegations, having a small Delegation myself, to that inconvenience. The matter which I raised, I raised at the first stage, because, as I said before, it affects a very large number of paragraphs. I shall have further opportunities of raising it. I had thought by raising it at an early stage, so that on a matter of fundamental importance the Conference can pronounce itself at an early stage, we would save time when we got to those things, but I shall have an opportunity of raising it again. I shall give up what I had hoped was an opportunity of saving time, and I withdraw my proposal.

Chairman: (Interpretation): I will ask the Delegate of South Africa not to withdraw his proposal and to agree to presenting his proposal on Friday morning.

Dr. J.E. Holloway (South Africa): I am prepared to throw myself in the mercy of the court.

Chairman: The Delegate of the Netherlands.

Mr. L. Gouzen (Netherlands): Mr. Chairman, there is only one thing I should like to ask Mr. Helmore. I really do not see the difference between Committee B meeting tomorrow the whole day and Friday afternoon and meeting tomorrow in the afternoon and
Friday the whole day.

Mr. J.R.C. HELMORE (United Kingdom): Mr. Chairman, in one or perhaps two sentences, this gives me an opportunity to take the Committee inside the workings of a large Delegation. It is difficult at twenty minutes to seven on Wednesday evening to re-arrange one's plan in a large Delegation for half past ten on Thursday morning, and it is very much easier to stick to what we have been planning for—that is, to discuss Chapter VI tomorrow, and to give ourselves twenty-four hours in which to find all members of our very large Delegation and to tell them that what they thought was going to happen on Friday is not going to happen on Friday!

CHAIRMAN: We all agree with Mr. Helmore's proposal, and this Committee will meet again Friday morning at 10.30.

The Meeting rose at 6.45 p.m.