The CHAIRMAN called the meeting to order and invited delegates to express their views concerning the amendment proposed by the Delegation of South Africa to paragraph 3 of Article 12 pursuant to the discussion at the Fifth Meeting.

Mr. CLAIRE WILCOX (United States) stated that he believed that Article 35 did not empower the ITO to invoke any sanction or to require or compel any Member to invoke any sanction whatsoever and that the ITO would not be a sovereign body but a subordinate agency. In its crudest form the retaliation that is the only sanction against the violations of commitments related to the Charter had existed from time immemorial and would exist even if the Organization were never brought to life. Article 35, in his opinion, only limits the power of retaliation. He added that in the last analysis what is really provided is not that retaliation shall be invited or sanctions invoked but that a balance of interest once established shall be maintained.

Dr. GUTIERREZ (Cuba), referring to Articles 55 and 56 of the Charter of the United Nations, explained that he believed Article 35 does not establish any sanction in the real juridical sense of the term. He pointed out that in his
opinion Article 37 should not be mentioned in different parts of the Charter. Article 45 did not have its right place in Chapter V and Article 35 should be put in Chapter VIII before Article 86.

Mr. BARADUC (France) agreed with the Delegate of Cuba but thought that only paragraph 2 of Article 35 should be included in Chapter VIII.

Mr. HELMORE (United Kingdom) agreed with the view expressed by the Australian and United States Delegations, but supported the specific amendment proposed by Dr. Holloway. He also agreed that the second paragraph of Article 35 belonged with Article 86.

Mr. BARADUC (France) also agreed with the amendment proposed by South Africa, which was also supported by Mr. MARTINS (Brazil) subject to the removal of the second paragraph of Article 35 from Chapter V.

Dr. HOLLOWAY (South Africa), replying to the remarks made by Mr. WILCOX, stated that the climate of international economic relations created by the International Trade Organization will put every one of the states to whom sanctions have been applied in a position entirely different from anything applied before. He suggested that Members would get much further by providing, in respect of Chapters III and IV and possibly also some matters in Chapters VI and VII, for consultation and consultation only and to make the provisions of Article 35 applicable only to those specific undertakings in Chapter V.

Dr. AUGENTHALER (Czechoslovakia), reserving his right to present his comments on Article 35, invited the attention of the Commission to his amendments to paragraph 3 of
Article 12 concerning the deletion of the words "any affected business entity or person within that Member's jurisdiction".

Dr. COOMBS (Australia) explained that in his view the main purpose of Article 35 is not to impose punishment but to allow a review of obligations.

Mr. CHEN (China) associated himself with the Delegation of South Africa and was in favour of deleting the last two sentences of paragraph 2 of Article 33.

The CHAIRMAN stated that the Commission was unanimous in accepting the South African amendment to paragraph 2 of Article 12 in pointing out that the question of substance would be discussed when dealing with Articles 35 and 86.

The meeting was adjourned at 4.30 p.m.