The Commission resumed discussion of Chapter I.

Mr. L.C. WEBB (New Zealand) said that the New Zealand delegation favoured the text of Chapter I produced by the Drafting Committee because it had the right distribution of emphasis. The New Zealand delegation also was anxious that such objectives as the maintenance of full employment and maximum payment retained the place they had been accorded in that text. The United States proposal had the virtue of clear drafting and logical order but it did alter the emphasis of the Drafting Committee text. For example, it made the employment problem, as it were, merely incidental to trade problems. The United States draft also had the weakness of leaving the creation of the Organisation until very late. As regards the question of whether the statement of purposes should be followed by the statement of means to implement them, the New Zealand delegation thought that some possibility of conflict was present, were this distinction made. This possibility of conflict arose from the fact that the Charter contained a number of different political and economic philosophies.
Mr. D.P. KARMARKAR (India) felt that the Drafting Committee text was fairly satisfactory, although he was in general agreement with the re-arrangement proposed by the United States delegation. In certain respects, however, he disagreed with the latter text. One of these respects was that the emphasis contained in sub-paragraph 3 of Article I of the Drafting Committee text had been changed in the United States draft and placed upon development of the economic resources of the world in general rather than upon the development of Member countries, particularly those in the early stages of industrial development. The amendment to that sub-paragraph of the United States delegation was also faulty in that it placed an undue importance upon international investment. The Indian delegation also found it difficult to accept the principle in the United States amendment of sub-paragraph 3 which appeared to imply that so far as international capital is concerned the only thing needing to be done is to encourage it to flow freely into productive investments. For all of these reasons the Indian delegation was strongly opposed to the reference contained in the proposed amendment of this sub-paragraph to international capital and felt strongly that the original draft in this respect should be retained.

Mr. D.Y. DAO (China) felt that the United States re-arrangement was logical in that it divided Article I into a preamble and a statement of purposes. As regards the question of whether purposes should be attributed to the Organization or to the Members, the Chinese delegation considered that the purposes should be attributed to the Organization. As regards the South African proposal which set out the preamble in very broad terms and expressed high ideals, such a preamble...
was desirable should there be no general preamble to the Charter when embodied in the Final Act. If there were to be a general preamble to the Charter, the South African suggestion to differentiate larger purposes from lesser purposes might very well be used.

Mr. KELLOGG (United States) said that the United States delegation entirely agreed with the remarks which had been made by the delegates of Cuba, India and China regarding the importance of emphasizing the economic development of countries in the early stages of industrial development. The United States delegation was pleased to hear that the delegate of India was not unsympathetic to a reference in Article I to the importance of international investment.

Mr. L.D. MARTINS (Brazil) preferred the United States re-arrangement, which was more logical and clearer. He agreed with the remarks made by the delegate of India regarding the suggested re-wording of sub-paragraph 3. He did not think that the objectives of the Organization should be classified into greater and lesser objectives. They should merely be enumerated in a logical order.

Mr. J. VAN TICHELEN (Belgium-Luxembourg) said that he had now formed a definite opinion that it was necessary to classify the purposes of the Organization into two categories. It was essential that a number of purposes, among which no contradiction was possible, should be established, these purposes being the maintenance of peace, economic progress, social progress and full employment.

The CHAIRMAN asked the Commission to express its opinion on whether the principle set out in the Belgian and South African
proposals, namely, that the purposes of the Organization should be stated first and then the means of attaining those purposes, should be adopted. Seven members voted for the principle and seven against. The question was referred to the Sub-Committee.

Mr. ROYER (France) suggested that it might be possible for the sub-committee on Chapter VIII to divide itself so that the consideration of that Chapter and of Chapters I and II might proceed simultaneously. As it was felt that this might pose difficulties for some delegations, the Commission decided to ask the chairman of the Sub-Committee on Chapter VIII to give priority to consideration of Chapters I and II.

SIR STAFFORD Cripps (United Kingdom) stressed his delegation's view that the territory and area covered by the Organization should be as wide as possible and representations therein as truly democratic as possible. There were certain territories which, while not yet international personalities in the full sense of the word, were responsible for their own international trade obligations and their own internal trade organization and had a substantial stake in world trade. The metropolitan countries concerned, while having formal responsibility for these territories, could not undertake the actual implementation of the obligations assumed by the territories. The United Kingdom delegation therefore felt it desirable and equitable that representatives of these territories should take part in the activities of the Organization in all matters for which they might later be called upon to assume responsibility.

The United Kingdom proposed two categories of membership — full membership and "associate" membership. Under full membership three classifications were suggested — first, States attending the World Conference who automatically became Members
under Article 88 of the Charter, second, States Members of the United Nations declining to attend the World Conference but later deciding to adhere to the International Trade Organization, and third, States not Members of the United Nations not invited or not attending the Conference but wishing to adhere to the Organization. Under associate membership there were two classifications -- first, the customs territories previously referred to who by reason of invitation and attendance at the Conference could automatically become Members upon the compliance with the procedure laid down in Article 88 by the metropolitan State concerned, and second, such territories not invited to the Conference who could only become associates after due approval of their application by the Organization.

In addition to these categories the United Kingdom delegation felt that provision should also be made for trust territories administered by the United Nations and for the Free Territory of Trieste when the Trieste Statute entered into force.

The question of the rights and obligations of Associates, as opposed to those of full Members, was left to be determined by the Organization.

Mr. VAN TUYLL (Netherlands) expressed his delegation's approval of the United Kingdom amendment stating that it was important not only for the customs territories concerned but also for the Organization itself that provision be made for the participation of such territories in the work of the Organization. He had in mind particularly certain territories now forming part of the Kingdom of the Netherlands whose degree of independence would soon extend to the matters covered by the Charter and whose cooperation in the work of the Organization was favoured by the Netherlands delegation.

Mr. ROYER (France) supported the United Kingdom amendment as a substantial improvement over the New York draft and agreed with the suggestion that provision be made for trust territories and the Free Territory of Trieste. He suggested that provision might be made in sub-paragraph 2 of paragraph 1 that any State Member of the United Nations not represented at the Conference on Trade and Employment could become a Member without a special vote
The French Delegation felt that the introduction of Associate Members in an international organization might be in conflict with public international law and for this reason, before settling this matter definitely, it should be possible for the Economic and Social Council to examine the problem to see to what extent it would be possible to create within the Organization a category of countries which had not been provided for in other specialized agencies.

Mr. KELLOGG (United States) expressed his delegation's sympathy for the idea behind the British amendment but suggested that the distinction between original Members and other Members embodied in the original text of the article should be retained in some form. As regards the United Kingdom suggestion that Associate Members might, if the Conference so decided, receive a vote, this would seem to leave very little distinction between Associate Members and full Members and also raised the question of how an Associate Member would pass to the status of a full Member. Further consideration might be given by the sub-committee to the difference in the handling of trusteeship territories as between the United Kingdom redraft and the original draft.

Mr. COLBAN (Norway) stated that he was strongly attracted by the United Kingdom proposal and he thought that the observations of the French delegate were met by saying that the Preparatory Committee was not creating new States but merely making it possible for territories to co-operate with the Organization. He did not think it necessary to obtain any ruling by the Economic and Social Council on this question.

Dr. GUTIERREZ (Cuba) expressed great sympathy for the United Kingdom proposal. However, he did not see how it would be reconciled with the present status of international law which laid down the principle of equality of nations. The International Trade
Organization was to be an agency of the United Nations and membership in the United Nations was only open to States. He would not object to leaving the question of admission of the territories in question to the executive bodies of the Organization. However, this might be dangerous for the number of territories which would be eligible for membership was not known. He thought that if the territories were to be admitted to membership they should be given full membership rights and he did not favour the division of membership into full membership and associate membership.

Mr. van der Post (South Africa) said that he agreed with the principle of equality among sovereign states expressed by the Cuban delegate but nevertheless it seemed to him the position in this question would be compared to the growth of children who, as they grew older, attained more rights and responsibilities. It was on this idea that the United Kingdom proposal was based and he fully supported it.

Mr. Dao (China) stated that the International Trade Organization should be based as broadly as possible and for that reason he was in full agreement with the United Kingdom proposal.

Mr. Tange (Australia) stated that he also fully agreed with the United Kingdom proposal. As regards the remarks made by the delegate of Cuba, there was no question of creating equal rights for full Members and Associate Members — that question was left to be determined by the Conference. He recalled that provision for associate membership for territories had been written into the constitution of the World Health Organization. However, because of the difficulties to which the delegate of Cuba had referred it was decided to leave to the Assembly of that organization the determination of the rights and obligations of territories. He did not think there was any great objection to omitting the classification of
Members into original Members and Members who later joined the Organization. Finally, he thought that the word "Organization" in paragraphs 1(3), 2(2) and 4 should be altered to "Conference."

Mr. MARTINS (Brazil) fully agreed with the United Kingdom proposal. He said that he thought paragraph 4 should be examined at the same time as Article 64.

Mr. FAJIOVICH (Chile) thought that the United Kingdom proposal violated the principle of equality laid down in the Charter of the United Nations. He did not consider that the Preparatory Committee could accept the United Kingdom proposal and he thought that the matter should be referred to the Economic and Social Council for a ruling.

Mr. ANGUS (Canada) fully supported the United Kingdom proposal although he saw some difficulties with regard to paragraph 4. The principal difficulty was that in view of the fact that the rights and obligations of Associate Members were to be determined by the Conference, the territories in question might be placed in the position of not knowing what their rights and obligations would be when they were deciding whether or not to apply for membership.

Mr. van TICHELEN (Belgium/Luxembourg) supported the United Kingdom proposal and said that he thought the juridical objections which had been advanced to it were not valid. In national law it was fully recognized that there was a distinction in status between adults and minors and he thought that this concept could be carried over into international law. This would be the appropriate way to ensure the rapid development of dependent territories towards full development.

Sir STAFFORD CRIPPS (United Kingdom) pointed out that the United Kingdom was not suggesting the creation of new international
persons for all purposes. It was a question of a specific function and for the purposes of that function the territories in question were fully capable of acting independently. The World Health Organization provided a precedent in the matter. Regarding the alleged conflict between the United Kingdom proposal and the Charter of the United Nations, he said that the International Trade Organization would not be a branch of the United Nations but a specialized agency set up under its aegis to carry out special functions. If the territories concerned were not to be given membership in the Organization their trade and commerce would be left out of the field of the International Trade Organization and this would be a very serious matter.

In connection with the probable number of Associate Members and the result of their membership upon the question of voting, he wished to point out that associate membership was only a transitory stage.

The CHAIRMAN summed up the discussion and suggested that the United Kingdom proposal be referred to the sub-committee.

Mr. ROYER (France) suggested that before the Commission finally decided upon the United Kingdom proposal it should await the decision of the Economic and Social Council on the question of inviting Burma, Ceylon and Southern Rhodesia to the World Trade Conference.

The CHAIRMAN replied that the French delegate would be at liberty to reopen this question when the report of the Sub-Committee on Chapter II was referred to the Preparatory Committee, by which time the Economic and Social Council would no doubt have made the decision referred to.
It was agreed that the United States amendments to Article 2 were merely matters of drafting and that they should be referred to the Sub-Committee.