

SECOND COMMITTEE: ECONOMIC DEVELOPMENT

DRAFT CHARTER

CHILE: PROPOSED AMENDMENTS

CHAPTER III

Article 11

Paragraph 1

Amend the first sentence, as follows:

"1. Progressive industrial and general economic development requires, among other things, adequate supplies of capital funds, materials, modern equipment and technology, technical and managerial skills, stable markets and economic prices."

Paragraph 2

Amend the beginning of the paragraph as follows:

"2. In order to stimulate and assure the provision and exchange of facilities for industrial and general economic development, the Members undertake: (a) to notify the Organization in the event of a shortage of consumer goods or goods essential for the maintenance of established industries and to consult with countries having a substantial interest in the importation of such goods in order to reserve an essential minimum supply for them; (b) to prevent all speculation in consumer goods of vital importance to other Member countries; (c) not to take unreasonable etc." (remainder of paragraph as in present Draft).

Insert a new Article 11 (a)

"1. The Members undertake to facilitate by all means in their power:
(a) the industrial development of the raw materials constituting the basic production of the industrially under-developed countries;
(b) the establishment in such countries of new industries and the expansion of the industries already established there which are appropriate to local economic conditions and which contribute to the attainment of a higher level of consumption both nationally and internationally; (c) the importation into their territories and the sale at economic prices and in adequate quantities of the natural or manufactured products, the export of which is essential for the stability of the national economies and for raising standards of living and labour in other Member countries.

/"2. Members

"2. Members shall, for this purpose, supply one another, in accordance with the provisions of Article 11, paragraph 1, with technical skills, production goods and the necessary credits.

"3. The Organization shall study and propose to Members procedures and measures adequate (a) progressively to eliminate any unwarranted disparity between the prices of raw materials and the prices of manufactured products; (b) to facilitate the knowledge, employment and reciprocal use of industrial patents, among Member States, on fair commercial terms."

Article 12

Insert a new paragraph 2 as follows:

"2. In accordance with the provisions of paragraph 1, Members with a favourable balance of payments and plentiful supplies of capital shall take the necessary steps to facilitate the obtaining of adequate long- and-short-term credits, on the basis of the provisions of paragraphs 3 and 4 of this Article, by countries which request them and shall ensure that the interest and amortization rates are fair, having regard to the rates prevailing in the capital market and the risks involved in such transactions."

The present paragraph 2 thus becomes paragraph 3, and paragraph 3 becomes 4.

Add the following sentence at the end of the last paragraph:

"In realizing such co-operation, satisfaction shall, wherever possible, be given to the desire of national capital to have a proper share in the financing, management and administration of the enterprises concerned."

Add a new paragraph 5 as follows:

"5. The Organization shall establish organs or procedures suitable for the collection and centralization of information regarding the supply and volume of private capital available and the requirements, conditions and possibilities of the countries requiring such capital, in order to effect contact between capitalists wishing to make investments and enterprises requiring capital and to facilitate and control the operation and application of the provisions of this Article.

Local bodies including members of the associations representing industry, trade and banking in the various countries shall serve as liaison organs to facilitate the collection of the information referred to in this Article.

Article 15

Amend Article 15 as follows:

"1. The Members recognize that special circumstances may justify new preferential arrangements between two or more countries not contemplating
/a customs

a customs union, in the interest of the programmes of economic development or reconstruction of one or more such countries.

2. The provisions of Article 16, paragraph 1, shall, therefore, not apply to preferences in force between adjacent countries whose economic or industrial development is inadequate or backward and which are or will be parties to arrangements made to facilitate or accelerate their economic or industrial development; their economies may be interlocked in order to apply industrial processes which are of special and reciprocal interest to them and to provide them with a sound and adequate basic market.

3. Any Member or Members contemplating such an arrangement shall notify the Organization thereof and shall transmit to it a written statement of the considerations in support of the adoption of the arrangement. This statement shall be communicated by the Organization to all Members.
