

JOINT SUB-COMMITTEE OF COMMITTEES V AND VI

NOTES ON THE FIRST MEETING

Held at Capitolic, 13 January 1948, at 6.00 p.m.

Chairman: Mr. TINOCO (Costa Rica)

The Sub-Committee elected Mr. TINOCO (Costa Rica) as Chairman.

The Sub-Committee proceeded to the consideration of Part B of E/CONF.2/C.5&E/W.1 with Add. 1. The Sub-Committee agreed that the matter covered by the proposal of the United States Delegation in Add.1 should be dealt with in Article 94. It was noted that if a provision on this subject were to appear as sub-paragraph (c), the present sub-paragraph (c) would be retained as sub-paragraph (d).

On the precise text of any such provision the following suggestions were made for amendments to the text of the United States proposal:

- (1) That the word "inter-governmental" might be added between "any" and "agreement".
- (2) That the word "commodity" might be added between "inter-governmental" and "agreement".
- (3) That the word "solely" might be added before "for the purpose of...."
- (4) That the word "its" might be added before "national security", or alternatively that the words "of one or more of the Members participating in the agreement" might be added at the end.

A Working Party consisting of the representatives of Chile, the Netherlands, the United Kingdom and the United States was established to consider these proposed changes.

It was agreed also that if a paragraph on these lines was to be included in Article 94 some provision should be introduced in an appropriate article concerning consultation on the liquidation of any stocks accumulated under this paragraph. One delegation in particular indicated that its willingness to accept such a paragraph in Article 94 depended on the inclusion elsewhere of some satisfactory provision concerning stock-pile liquidation.

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There was some suggestion that such a provision might be inserted in connection with Article 43 paragraph II (c), but on consideration it was concluded that since that paragraph in Article 43 was concerned with the transitional period following the war, it would not be an appropriate place for a provision concerning an indefinite period.

The representative of the United States indicated the willingness of his Delegation to insert a proviso following the word "sale" at the end of the first sentence in paragraph 2 of Article 30 to the following effect:

"Provided that, upon a complaint that substantial injury is being caused or is anticipated, a Member shall accord sympathetic consideration to, and shall afford adequate opportunity for, consultation regarding such representations as may be made by any other Member with respect to disposal of reserve stocks so acquired".

The Sub-Committee agreed to recommend to the Sub-Committee dealing with Section D of Chapter IV that provision be made in that section for consultation on the liquidation of stock piles accumulated pursuant to the new paragraph in Article 94 and to transmit to that Sub-Committee for its consideration the above proviso proposed by the representative of the United States, together with the following alternative text from the report of Sub-Committee A of the Fifth Committee (E/CONF.2/C.5&6/W.1, Annex):

"Any Member accumulating non-commercial reserves of primary commodities for military purposes under an inter-governmental agreement... shall not make arrangements for the commercial liquidation of such reserve stocks in such a way as to injure the commercial interests of producers of the commodities in question, and shall consult with the Organization as to the best means to that end".

The representative of Iraq felt that the point raised previously by his Delegation concerning Article 94 might be covered by inserting in the present text of the proposed new paragraph (c) the words "or taking any other action" between "military establishment" and "for the purpose of...". The Sub-Committee was of the view that this question was not within its competence and could be dealt with only by the Sub-Committee concerned with the whole of Article 94 and particularly with paragraph (b). The representative of Iraq indicated that his Delegation could not agree to the inclusion of the proposed new paragraph (c) until its own amendment to Article 94 had been dealt with satisfactorily.