

zation, which from the attitude of the Argentine Delegation could be seen to be highly unlikely. The Chilean Delegation later were able to some small extent to repair this mistake on their part when the question of relations with Non-Members was being discussed separately from the compromise by securing the right for approval, by a two-thirds vote of the Organization, of new preferences with non-Members.

46. Another part of the compromise agreed upon by the Coordination Committee was the decision to drop the proposals for the setting up both of an Economic Development Committee and of a Tariff Committee. The Canadian Delegation had taken an active part in proposing this solution of the problem presented by the Mexican proposal for an Economic Development Committee. The Tariff Committee had been intended to take over the functions performed at the meetings of the Contracting Parties to the General Agreement. It was felt that when the Charter came into force these functions could just as readily be performed by the Executive Board of the Organization.

47. As part of the compromise, the Contracting Parties agreed to amend, at their next meeting scheduled at Havana for the end of February, the General Agreement so as no longer to require unanimity in accepting the admission of new countries. This can now be done by a two-thirds vote and hence removed the Mexican objection to "a veto right". The Contracting Parties also agreed that they would endeavour to waive the right of complaint against supersession of Part II of the General Agreement by the corresponding provisions of the Charter, thereby meeting another Mexican objection to the tariff negotiations section of the Charter. They had argued that they otherwise would not know in advance the provisions of the General Agreement to which they were being asked to subscribe.

48. The last part of the compromise was that the Coordination Committee agreed to accept the solution of the vexed question of composition of the Executive Board then being worked out in main committee. This provides for a Board of eighteen countries or customs unions with permanent seats allocated to the eight Members of chief economic importance. It is specified that in determining the countries or customs unions of chief economic importance particular regard shall be paid to their shares in international trade. Moreover, an Annex to the Charter prescribes the rules to be followed in the first election to the Executive Board and one of these rules is that two of the permanent seats shall be allotted to the two countries in the Western Hemisphere with the largest external trade. These provisions assure the allocation to Canada of one of the permanent seats on the Executive Board.

49. For this satisfactory outcome, from the Canadian point of view, we are indebted to the unfailing support of Mr. C. Wilcox, the United States Deputy Chief Delegate and of Dr. Erik Colban, the Norwegian Chief Delegate and Chairman of Committee VI dealing with organization. At the informal meeting held early in December, at which it was decided to give up the fight for weighted voting, the question of the composition of the Executive Board was discussed. I outlined the reasons why Canada attached importance to permanent seats. I explained that, while Canada was recognised as an important industrial country, we could not be certain of election to the Executive Board because the majority of countries regarded us as closely associated with either the United Kingdom or the United States. The principle of geographical representation also worked against Canada in that North America always would