

governing the exchange of goods if customs quotas were to be granted under most-favoured-nation treatment in proportion to the export requirements and to the power of production in the exporting countries.

Another question which was not free from difficulties was the question of the relation between bilateral agreements based on the most-favoured-nation clause and multilateral economic conventions. The German Delegate thought that it was fair that the advantages involved in multilateral treaties, which were open to the adhesion of all other States, should be excepted from the most-favoured-nation clause and limited to the countries which were parties to such multilateral conventions. The other countries had an opportunity of joining such conventions, and if, for reasons of their own policy, they remained outside these multilateral conventions, they did not undertake the respective obligations involved. They could, therefore, not lay claim to the rights which these conventions gave.

The British Delegate (Miss Lawrence) recognized that parties to the latter class of treaties might sometimes feel it unreasonable that they should be bound to accord to other countries the advantages of multilateral treaties which they did not enjoy in those countries. Nevertheless this was an essential feature of the most-favoured-nation clause itself. It would in her opinion cause conflict with the whole spirit of the clause if it were open to any group of countries to conclude arrangements with each other which they did not extend to other countries.

The Canadian Delegate supported the proposal for resuming the enquiry on the most-favoured-nation clause. On the other hand, he frankly refused to co-operate in the scheme of European preference for European grain which had been put forward by the eight States signatories of the so-called Warsaw Resolutions. The representatives of these countries in the Committee pointed out the necessity of such preferential treatment and explained that, as they could only supply a small percentage of the demand, their plan would not be detrimental to the great overseas producing countries. They stressed that what they wanted was not a regional agreement but an exception to the most-favoured-nation clause, and stated that, if they were unable to obtain the recognition of this exception, they would have to fall back upon regional agreements. Such preferential treatment, once obtained, they argued would be temporary and would be limited to cereals and to those European countries which were organized on a capitalist basis. Russian cereals would be excluded from the benefits of the preference because these were sold at "dumping" prices and for political ends. They did not address their request for preference to the free trade countries of Europe. On the markets of those countries they proposed to face free competition.

A number of overseas countries, in particular India, Australia, South Africa and Canada, took part in opposing this proposal. It was also opposed by other countries, including Great Britain.

The Canadian Delegate, while appreciating the value of certain of the Warsaw resolutions, raised serious objections to the one dealing with preferences and took the position that the Committee should merely note its contents.

At the conclusion of the debate, the Rapporteur, as is customary, prepared a Report summarizing the discussion and the general proposals before the Committee. The overseas Commonwealth Delegations and the British Delegation considered that this Report did not take sufficient account of their point of view on the matter of preference as expressed during the debate. The Canadian Delegate, acting as representative of the Commonwealth group, after considerable negotiation had the following statement inserted in the Report to the Assembly:

The Delegations of Australia, Canada, India, New Zealand and the Union of South Africa, without pronouncing upon the substance of the