

approval of the Organization will not be subject to the automatic provisions of Article 13.

41. Undoubtedly the concession of "the war-babies clause" had a great deal to do with securing the adherence of the Latin-American countries to the compromise. It had become evident that what many of them were most concerned about was the right to use quotas and other restrictive measures to protect their newly-established industries against the revival of European competition. Consequently this clause was chiefly at the expense of the European countries, a fact to which the United Kingdom Delegation were to call attention later on when they became hesitant about accepting the Charter that was emerging from the Conference.

42. The tussle over Article 13 led to a split in the ranks of the Latin-American countries. This split came over the issue that had been cutting across all the discussions on the Charter and dividing countries that were together on most other issues. It was the question of protection for agriculture versus protection for industry. Colombia, whose Chief Delegate, Mr. Lleras Restrepo, was a member of the Coordination Committee, wanted more freedom to use quantitative restrictions to protect agriculture as well as industry. This was stoutly resisted by Mexico and Peru, whose Chief Delegates were also on the Coordination Committee. They won out and although the Colombian delegate accepted the compromise, he did so reluctantly. As one of the leading figures of the Liberal Party of Colombia he felt his position at home would be prejudiced as a result of the compromise.

43. On preferences, it was not necessary to make concessions to the views of the majority. In fact Article 15 of the Havana Charter represents an improvement over Article 15 of the Geneva draft, having regard to the fact that the two-thirds voting requirement was left in square brackets in that draft. If this question had been put to a vote at the Havana Conference, it is certain that the two-thirds voting requirement would have been reduced to that of a simple majority. The Arab group of countries and the Central American group having been won over by the conception of a "Free Trade Area", which also was made part of the compromise, Chile became more or less isolated in the fight for new preferences for purposes of economic development.

44. In Article 15 of the Havana Charter the Organization is required to grant approval of new preferences either by a two-thirds vote or when they meet certain criteria designed to assure that they will serve the purpose of the development of particular industries. At a later stage of the conference, when they were becoming chary about accepting the Charter, the United Kingdom Delegation attacked Article 15 because its scope did not clearly permit new preferences with the colonies for purposes of economic development. They were met in part by an interpretative note defining "the same economic region" in such a way as it could be interpreted to include both the United Kingdom and certain of the colonies.

45. On this part of the compromise, Mr. W. Mueller, the aggressive Chief Delegate of Chile, was outmanoeuvred in the Coordination Committee. He did not realize until it was too late that the words "between Members" excluded from the scope of the compromise the preference agreement between Chile and Argentina unless Argentina became a Member of the Organi-