

the difficult questions of the settlement of differences, relations with non-members, boycotts for political purposes, the treatment of areas under military occupation, and the problem of Switzerland.

53. A Sub-Committee, presided over by Mr. L.E. Couillard of Canada, succeeded after some twenty-five meetings in arriving at a satisfactory solution of the controversial question of the settlement of differences. Here the chief clash of views had been between the Anglo-Saxon or Common Law countries, who hesitated to permit references to the International Court of Justice of questions having an economic content, and France and the other countries of Western Europe, whose representatives were trained in the concepts of Roman Law. The Sub-Committee evolved a new text of Chapter VIII which represented a great improvement over the Geneva draft. It streamlined the various steps to be taken in the settlement of differences. The actual procedures to be followed for ensuring that advisory opinions of the Court on matters referred to it by the Organization should have binding effect were left to be confirmed by the Interim Commission after consultation with the Court.

54. Relations with non-Members were solved by the acceptance of weak provisions which bore little resemblance to any of the three alternatives presented to the Conference by the Preparatory Committee. Argentina, for understandable reasons, Switzerland for similar reasons, and Sweden and Czechoslovakia on account of their relations with the Soviet Union, had been irreconcilably opposed to any strong provisions governing the relations with non-Members.

55. The question of boycotts for political purposes proved to be one of the most delicate of all questions dealt with by the Conference. The Arab countries wanted freedom to boycott goods originating with Zionist-sponsored producers, and India wanted the right to continue their embargo on trade with South Africa. By clever manipulation the issue was made to appear chiefly one between India and South Africa. While this saved the Conference from undesirable publicity, it placed Dr. Holloway, the Chief Delegate of South Africa, in a most invidious position. He acquitted himself admirably and with great dignity. He had to submit to being out-voted in favour of a formula which removed from the scope of the Charter measures taken pursuant to a political question referred to the United Nations.

56. On the question of the treatment of areas under military occupation, the United States Delegation were unable to persuade the European countries that the Conference should provide for the reciprocal exchange of most-favoured-nation treatment with the occupied areas of Germany and Japan. The United States Government was left with the alternative of dealing with this matter in the agreements with the European countries for Marshall Plan aid, but a reference to the areas under military occupation was included in the Article of the Charter dealing with membership.

57. The problem of Switzerland had been referred to a Sub-Committee of Committee III - the Commercial Policy Committee - and this Sub-Committee had struggled with the question for weeks. It was agreed that Switzerland, with a strong currency and surrounded by countries in balance of payments difficulties, was in a unique position. However, it was not clear how Switzerland could be released from sense of the obligations of the Charter without opening the door for other countries to take advantage of this exception. Uruguay and Venezuela were members of the Sub-Committee and made it clear that they had a direct interest in whatever solution was proposed for Switzerland.