

## NEWFOUNDLAND

The Hon. F. C. Alderdice, Prime Minister.

## INDIA

Sir George Rainy, K.C.S.I., K.C.I.E., I.C.S., Late Member of Council of Governor-General of India.

Sahibzada Abdus Samed Khan, C.I.E., Prime Minister, Rampur State.

## SOUTHERN RHODESIA

The Hon. H. U. Moffat, C.M.G., M.L.A., Premier.

The Hon. P. D. L. Fynn, C.M.G., M.L.A., Treasurer

*Joint Secretariat:*

Mr. R. J. W. Stacy, Private Secretary to the Chief Industrial Adviser (United Kingdom).

Dr. H. L. Keenleyside, First Secretary, Canadian Legation, Tokyo.

The Committee held two meetings. At the First Meeting it was decided that a Sub-Committee of Officials should be appointed to prepare a draft report for Consideration. On the 17th of August this Sub-Committee submitted its proposals to the Committee. Subject to a few minor alterations in the text the report of the Sub-Committee was accepted, and it is appended hereto.

The report is recommended to the favourable consideration of the Conference.

N. C. HAVENGA,  
*Chairman.*

## REPORT

The Committee considered two broad groups of questions affecting the commercial relations of the several members of the Commonwealth with foreign countries.

In the first place, the Committee discussed the general question of the relationship between intra-Commonwealth preferences and the most-favoured-nation clause in commercial treaties with foreign powers. Each Government will determine its particular policy in dealing with this matter, but the representatives of the various Governments on the Committee stated that it was their policy that no treaty obligations into which they might enter in the future should be allowed to interfere with any mutual preferences which Governments of the Commonwealth might decide to accord to each other, and that they would free themselves from existing treaties, if any, which might so interfere. They would, in fact, take all the steps necessary to implement and safeguard whatever preferences might be so granted.

In the second place, attention was drawn to recent tendencies in foreign countries to conclude regional agreements between themselves for the mutual accord of preferences which were designed as being exclusive, and not to be extended to countries which were not parties to, or did not adhere to the agreements. On this point, there was a general agreement that foreign countries which had existing treaty obligations to grant most-favoured-nation treatment to the products of particular parts of the Commonwealth could not be allowed to override such obligations by regional agreements of the character in question. Particular reference was made in this connection to the question of the Danubian States in regard to which preferential treatment was in contemplation for the cereal exports of the States concerned,—exports which constitute a substantial proportion of the world's exports of the cereals in question. The Committee were, however, informed that in the discussion which took place at Lausanne on the matter, the rights of third countries had, at the instance of the United Kingdom, been expressly reserved.

The Committee recognized that the fact that rights are accorded by most-favoured-nation treatment does not preclude a foreign country from seeking the consent of the various Governments of the British Commonwealth to the waiver of their rights in particular cases, and that these Governments must be