

EXECUTIVE COMMITTEE

Second session

Item 3 of the revised Provisional Agenda

REPORT BY THE EXECUTIVE SECRETARY OF THE ICITO ON
THE WORK OF THE SECRETARIAT

I. ADMINISTRATION AND FINANCE

The first task confronting the Executive Secretary in undertaking his responsibilities was the recruitment of staff. The Executive Secretary was guided by the proposals contained in ICITO/EC.1/5, due regard being given to the need for economy and (within the limits and possibilities of a small staff) to the principles of Article 84, paragraph 2, of the Havana Charter. The following appointments have been made:

Deputy Executive Secretary - Mr. J. A. Lacarte (Uruguay), appointment effective 30 July.

Special Assistant - M. Jean Royer (France), appointment effective 19 July.

Commercial Policy Advisor - Mr. F. A. Haight (South Africa).

Research Assistant - Mr. Constant Shih (China).

Research Assistant - Mr. G. Maggio (Italy), appointment effective 9 August.

Administrative Assistant - Miss D. W. Peaslee (United States).

Information Officer - Mr. Richard Ford (United Kingdom).

As regards the other principal posts, the Executive Secretary has, for all except one, been able to arrange with the United Nations for the loan of personnel on a reimbursable basis. The United Nations has agreed to make available to the Interim Commission as Legal Advisor,

Mr. Alan Renouf (Australia), who acted in a similar capacity for the Preparatory Committee and the Conference at Havana. As regards the

Commodity Advisor, the Executive Secretary has made an arrangement with the Secretary-General of the United Nations which, while relieving the Interim Commission of the expense of maintaining a full-time

commodity advisor, enables the Commission to remain in close touch with commodity questions. This arrangement also fulfills the responsibilities

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of the Interim Commission under paragraph 5 of its terms of reference. An exchange of letters between the Executive Secretary and the Secretary-General on this matter is attached as Annex A.

The Secretary-General also assisted the Interim Commission by the temporary loan of an official of the Department of Budget and Administration who undertook to prepare the draft financial and staff regulations. These regulations are submitted to the Executive Committee under Item 12 of the provisional agenda.

No appointment has yet been made to the position of Economic Development Advisor. Of the various candidates proposed to the Executive Secretary, none appeared to have all the necessary qualifications for this position. The Executive Secretary, therefore, arranged with the United Nations for the loan of the services of Mr. Gosschalk. In addition to acting as secretary of Committee II at Havana, Mr. Gosschalk has also worked for some time in the Economic Development Section of the United Nations Department of Economic Affairs. By this arrangement, it has been possible to prepare an interim report on the economic development Resolution for consideration by the Executive Committee at its Second Session. The appointment of an Economic Development Advisor will be reconsidered after the Executive Committee has discussed and commented upon the Interim Report.

The other immediate task was to provide for financing the Interim Commission. The Executive Secretary applied to the Secretary-General of the United Nations for an initial advance of \$86,490 for the Second Quarter of 1948. The Secretary-General agreed to this advance subject to an undertaking for the reimbursement of this and all subsequent advances by the ITO when established. The Executive Secretary in reply referred to paragraph 4 of the Commission's terms of reference and expressed confidence that the Commission would accept the position that any advances to the Commission should be reimbursable to the United Nations by the ITO. It is suggested that the Executive Committee authorize the Executive Secretary to confirm this commitment formally to the Secretary-General. Negotiations are at present proceeding for a further advance for the third quarter.

In addition to the matters referred to above, the Secretary-General of the United Nations has agreed for a number of administrative services to be undertaken, subject to reimbursement, by the Secretariat of the United Nations on behalf of the Interim Commission. These services include translation, reproduction and distribution of documents, interpretation, conference services, budget control, and general

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administrative services such as are connected with personnel, travel, etc. As part of these arrangements, the Executive Secretary has agreed that the administration, financial and personal regulations of the United Nations shall, where appropriate, apply to the Secretariat of the Interim Commission.

The Executive Secretary wishes to place on record his appreciation of the co-operation which the Secretariat of the United Nations has accorded to the Interim Commission and recommends that he be authorized to send to the Secretary-General a formal expression of appreciation on behalf of the Interim Commission.

One final matter of organization may usefully be referred to in this Report. The Executive Secretary has been anxious to ensure that the removal of the Secretariat from Lake Success to Geneva should not interfere with the maintenance of close personal contacts with the Secretariat of the United Nations and with IAO, the Bank and the Fund. He has, therefore, decided that a representative of the Interim Commission should remain at the headquarters of the United Nations. For the time being this representative will be the Deputy Executive Secretary.

II. WORK OF THE SECRETARIAT*

(a) Preparation of authentic texts of the Havana Charter in the Chinese, Spanish and Russian languages

The Russian and Chinese translations of the Final Act and the Havana Charter, prepared by the translating services of the United Nations, were distributed, in accordance with the procedure agreed at Havana, to all signatories of the Final Act and members of the Interim Commission on 28 May and 12 June respectively. Governments were advised that the Executive Secretary would take note of comments on the Russian text received by 10 September 1948 and the Chinese text by 25 September 1948. The Spanish text, prepared by the Cuban Government and received by the Secretariat in a complete form by Monday 21 June, was distributed on 25 June, comments being required by 10 October 1948. As soon as possible after receiving these comments the Executive Secretary will circulate revised texts. Two months from the date of circulation, if no objections have been received within that period, the texts will be deposited as authentic with the Secretary-General of the United Nations. The earliest dates, therefore, at which the authentic texts could be

* See also Annex B or in information activities.

available if this procedure were strictly followed are: Spanish, 24 December 1948; Russian, 24 November 1948; Chinese, 9 December 1948. In the circumstances the Executive Committee may wish to consider whether the procedure can not be expedited.

(b) Publication of Reports of the Havana Conference

The First Session of the Executive Committee directed the Executive Secretary to publish the Reports of Committees supplemented by such Sub-Committee Reports and other documents or extracts therefrom as might be necessary for a full understanding of them. In accordance with this instruction, the Secretariat prepared a compilation of the reports which was circulated on 6 May, for information, to all members of the Interim Commission as document ICITC/W.1. At the same time, this compilation was sent to the consultative panel appointed by the Executive Committee at its First Session. The Secretariat will revise the Reports in the light of the suggestions of the consultative panel and will thereafter make arrangements for printing and publication.

(c) Relations with United Nations and other Specialized Agencies

The Secretariat initiated discussions with the Secretariat of the United Nations and with the secretariats of other inter-governmental organizations in order to present to the Executive Committee preliminary drafts of agreements or working arrangements with the agencies with whom the ITO will be most closely concerned. It should be made clear, however, that the drafts submitted do not in any way represent the official views of any other organization. These drafts have been prepared by the Secretariat, and consultations have been held solely for the purpose of obtaining information and advice.

Action taken by the Secretariat on other items on the agenda for the Second Session is indicated in the various papers circulated separately.

(d) Large Format Text of the Havana Charter

To facilitate the work of the Commission and ultimately of the Conference of the ITO, the Secretariat arranged to publish a large format edition of the Final Act and Related Documents of the Havana Charter, the small type edition published by the United Nations being unsuitable for use as a working document. Although this involved some additional expenditure, the outlay should prove fully justified.

III. THE CONTRACTING PARTIES TO GENERAL AGREEMENT ON TARIFFS AND TRADE

At the First Session of the Contracting Parties, in Havana, it was agreed, as a provisional arrangement, to request the Executive Secretary to provide secretariat services to the Contracting Parties to the General

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Agreement on Tariffs and Trade. In consequence the Secretariat has been handling the day to day administrative work arising out of the General Agreement on Tariffs and Trade as well as preparing for the Second Session of the Contracting Parties. The Executive Secretary did not, at the time he accepted the request of the Contracting Parties, make any suggestion as to the terms on which these services would be rendered as he wished to take this matter under consideration.

In the view of the Executive Secretary any work done by the Secretariat in relation to the GATT may properly be regarded as falling within the general authority contained in paragraph 2(1) of the terms of reference of the Commission. Accordingly, no claim should be made on the Contracting Parties for payment for services rendered by the Secretariat of the Commission.

IV. PREPARATION FOR THE SECOND SESSION OF THE EXECUTIVE COMMITTEE AND FOR FUTURE WORK OF THE INTERIM COMMISSION

The Secretariat has concentrated its efforts towards bringing before the Executive Committee at its Second Session as many as possible of the specific matters contained in the Commission's terms of reference. In so doing, the Secretariat was guided by the consideration that the major task of the Commission is to prepare for the first regular session of the Conference of ITO. In order, therefore, to give the Commission more freedom at a later date to concentrate on this work, it seemed desirable to proceed as quickly as possible to examine the other tasks of the Commission. It is for this reason that certain matters, as, for example, the draft financial and staff regulations, have been brought up for consideration at this early date. The Executive Secretary considers it desirable to make as much progress as possible on these items, the Commission, of course, being free to revert to them later for such revisions as may be required in the light of changing circumstances.

Although concerning itself mainly with the immediate task of preparing for the Second Session of the Executive Committee, the Secretariat has given some attention to its future programme of work. As a basis for this, there has been prepared an analysis of the Charter in terms of the functions and responsibilities of the Organization. In its present form, the analysis is concerned largely with responsibilities of the Conference, the Executive Board and the Commissions, as distinct from the duties of the Secretariat. It is proposed at an early date to expand this analysis and to add material relating to functions of the Secretariat of the Organization. The preliminary analysis referred to

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above has disclosed the following as matters to which the Interim Commission and the Executive Committee might wish to direct its attention:

- (a) Recommendations to the Conference as to the powers and duties which should be assigned to the Executive Board in accordance with Article 77 (ii), including recommended rules as to appeals from Executive Board decisions under Article 13 (9) (see document ICITO/W.1, Report of Committee II on page 29, paragraph 10).
- (b) Recommendations regarding procedural arrangements for negotiations between members for reduction of tariffs and elimination of preferences, Article 17 (i). If the Committee decides to prepare such recommendations, it might wish to consider requesting the advice of the Contracting Parties of the General Agreement on Tariffs and Trade.
- (c) Initiation, in collaboration with the Fund, of arrangements for the preparation of the Report referred to in Article 23, paragraph 1 (g) which the Organization is required to make not later than 1 March 1950.
- (d) Recommendations regarding the nature of the statistical work to be undertaken under Article 39.
- (e) Recommendations on Rules of Procedure for the Conference (Article 76, paragraph 2).
- (f) Recommendations on Rules of Procedure for the Executive Board (Article 80, paragraph 1).
- (g) Recommendations regarding site and branch offices.
- (h) Preparation of draft regulations regarding the position of the Director-General (Article 84, paragraph 1).
- (i) Recommendations as to what, if any, commissions should be established by the First Conference.
- (j) Recommendations on conditions of service for members of commissions (Article 83, paragraph 2).
- (k) Recommendations as to the functions of such commissions (Article 82).

The items listed above are set out by way of example and the list does not purport to be exhaustive. The speed with which the Organization, when established, can begin to operate effectively may well depend upon the amount of preparatory work which the Interim Commission decides to undertake. The Secretariat is proceeding on the assumption that, owing to the comparative lateness of the appearance of the ITO in the international field, it is desirable that the Organization should be enabled to undertake effective operations as soon as possible after it is established. The Executive Secretary has felt therefore that the

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Interim Commission would wish, so far as possible, to consider in advance a number of problems and arrangements which, in the case of other specialized agencies, were left to be determined somewhat later.

ANNEX A

CORRESPONDENCE BETWEEN THE EXECUTIVE SECRETARY OF THE ICITO
AND THE SECRETARY-GENERAL OF THE UNITED NATIONS

11 May 1948

Sir,

I have the honour to refer to the Resolution of the United Nations Conference on Trade and Employment establishing an Interim Commission for the International Trade Organization containing the following paragraph:

"5. Arrangements may be made with the Secretary-General of the United Nations regarding the provision of such personnel as may be required to carry on the work of the Interim Co-ordinating Committee for International Commodity Arrangements."

This provision was the subject of discussion at the first session of the Executive Committee of the Interim Commission. The Executive Committee felt that, as the ICCICA is an organ of the United Nations established by Resolution of the Economic and Social Council, it was appropriate that the Secretariat be provided and financed by the Secretary-General of the United Nations. Nevertheless, the Interim Commission for the ITO has a special interest in Commodity matters and in particular in the work of the ICCICA in view of the provisions of the Havana Charter prescribing important functions for the eventual ITO in the commodity field. In these circumstances, the Executive Committee instructed me to enter into discussions with the Secretary-General to ascertain whether arrangements could be made whereby the Secretariat of ICCICA, whilst continuing to be provided by the United Nations, might nevertheless render certain services to the Interim Commission on mutually acceptable reimbursement conditions.

I have had certain conversations with members of your staff on the basis of which I should like to put forward for your consideration the following arrangements:

(a) The Secretariat of the ICCICA will be provided by the Commodity Section of the Department of Economic Affairs.

(b) The files and records collected and maintained by the Commodity officers of the Secretariat of the United Nations Conference on Trade and Employment shall therefore for the time being be retained by the Economic Affairs Department of the United Nations, the question of the ultimate disposition of these records

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being left open for further discussion between the United Nations and the Interim Commission when the establishment of the International Trade Organization is more imminent.

(c) The Commodity officers of the Department of Economic Affairs shall keep the Secretariat of the Interim Commission fully informed on all international commodity questions, including the supplying to the Interim Commission of all reports or studies undertaken by them in this field.

(d) The Commodity officers of the Department of Economic Affairs will, at the request of the Interim Commission, undertake reports and studies on commodity questions of special importance to the Interim Commission subject to reimbursement to the United Nations for the time spent on the compilation of such reports or studies.

(e) The Commodity officers of the Department of Economic Affairs shall be authorized, at the request of the Executive Secretary of the Interim Commission, to represent the interests of the Interim Commission at international meetings on commodity questions. If such officers attend these meetings exclusively for the purpose of representing the Interim Commission, the whole of their salary, per diem and travel costs shall be reimbursed to the United Nations by the Interim Commission. If the Commodity officers attend these meetings to represent the United Nations as well as to represent the interests of the Interim Commission, the expenses shall be shared between the United Nations and the Interim Commission on a mutually satisfactory basis to be determined in each particular instance.

(f) The Secretary-General, upon the request of the Executive Secretary of the Interim Commission, and subject to availability will second one or more of the Commodity officers for temporary assignment to the Interim Commission on the usual terms governing the secondment of United Nations personnel to specialized agencies.

I should be grateful to have your views on these proposed arrangements at your early convenience.

I have the honour to be,

Sir,

Your obedient servant,

(Signed)

E. Wyndham White
Executive Secretary

Mr. Trygve Lie,
Secretary-General,
United Nations,
Lake Success, N. Y.

/25 May 1948

25 May 1948

Sir,

I have the honour to acknowledge the receipt of your letter of 11 May 1948 referring to the resolution of the United Nations Conference on Trade and Employment concerning arrangements between the Interim Commission for the International Trade Organization and the United Nations regarding the work of the Interim Co-ordinating Committee for International Arrangements.

I am happy to agree that the Commodity Section of the Department of Economic Affairs, which provides the Secretariat of the Interim Co-ordinating Committee for International Commodity Arrangements, should also render certain services to the Interim Commission on mutually acceptable conditions of reimbursement.

The general arrangements set out in your letter are acceptable, it being understood that the details will be discussed at the appropriate stage with representatives of the Assistant Secretary-General in charge of Economic Affairs.

I have the honour to be,

Sir,

Your obedient Servant,

(signed)

Trygve Lie
Secretary-General

Mr. E. Wyndham White
Executive Secretary
Interim Commission for the
International Trade Organization.

ANNEX B

REPORT ON THE INFORMATION ACTIVITIES OF THE SECRETARIAT

1. Members of the Executive Committee will recollect that the question of information services was left to the discretion of the Executive Secretary.

It may, therefore, be appropriate to set down the principles which have guided the Executive Secretary in promoting a limited programme of public information during the few months which have elapsed since the Commission came into existence.

2. The initial question was whether the Commission should sponsor any information for the general public about the Havana Charter and the work of the Commission, or whether this should be left entirely to governments.

Two factors, in particular, influenced the decision in favour of a limited programme of information. The first was the conviction that the Havana Charter is probably the most important and most remarkable document of its kind to be completed in our times. It is a major part of post-war economic planning, closely linked and integrated with the whole economic programme of the United Nations and its Regional Commissions, as well as with the Specialized Agencies such as the Food and Agriculture Organization, the International Monetary Fund and the International Bank for Reconstruction and Development. As such it will be the subject of wide public discussion and will give rise to a demand for background information material from many quarters. The Interim Commission will be the natural source to turn to for this material. For the Commission to fail to make provision to meet this demand would be to fall short of its responsibilities.

Secondly, the Executive Secretary considered that an information programme adhering strictly to impartiality, could be of some assistance to many if not to all member governments in the presentation of the Charter to public opinion in their countries.

3. The main principle followed has been that information sponsored by the Commission should be confined to simple, factual straightforward exposition of the Charter and of the tasks of the Interim Commission. It is no part of the function of the Interim Commission to undertake a "selling campaign" or to enter into any detailed interpretation of the Charter.

The over-riding consideration has been that whatever information material was sponsored by the Commission should be helpful to member
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governments. Great care has been taken with the texts of all public information material, and the task of compiling them has been the entire responsibility of the Secretariat.

4. The first action taken was, therefore, to send a Note from the Executive Secretary regarding Public Information (ICITO/INF/2) to all governments members of the Commission giving an outline of the proposed information policy. The second consideration was to set a target for information activities within the limitations of staff.

5. Working relations with the various sections of the Department of Public Information of the United Nations have been established. This has enabled good use to be made of available facilities, before the Secretariat left United Nations Headquarters for Geneva. The main results of this liaison are to be seen in

(a) a leaflet giving the basic facts about the Charter, the events leading up to the Havana Conference, the functions of the Interim Commission, and so forth. This leaflet was published in English in July 1948. French and Spanish language editions will, it is hoped, be available in time for the meeting of the Executive Committee,

(b) a pamphlet, written in popular style, explaining the reason for bringing ITO into being and giving a general picture of world trade. This also is being printed in English, French and Spanish.

The cost of both the above publications, it may be added, is borne almost wholly by United Nations, the Commission paying only for such copies as it may require.

The distribution of the above two publications through United Nations channels is substantial. It covers the twelve United Nations regional information centres, each with their own local mailing lists. It also covers, for example, 800 newspaper and radio correspondents, as well as speakers and organizations of all kinds in many parts of the world.

6. In addition to the two publications of a popular type, described above, the two Information Papers have been prepared and issued in mimeographed form in English, French and Spanish. These are:

A Summary of the Havana Charter, which attempts to reduce the Charter to its main, simple elements, chapter by chapter.

The General Agreement on Tariffs and Trade, which summarizes the history, development and implications of the GATT.

These two papers, if they meet with general approval, could be printed and arrangements made for substantial distribution. It is unlikely, however, that United Nations Headquarters will be able at this stage to finance printing costs beyond the two publications mentioned above.

/7. In addition

7. In addition to the above publications, opportunity has been taken to contribute articles to the United Nations Bulletin and to various works of reference. The Executive Secretary has also been able to make several addresses and broadcasts.
8. Very few opportunities have occurred to introduce news about the Havana Charter or the Interim Commission into the daily newspapers. The channels for distributing "spot" news through United Nations facilities remain always available. But the experience of the past few months tends to indicate that the national aspects of trading problems, such as the renewal of the United States Reciprocal Trade Acts, are more likely to obtain newspaper space than the international aspects in their formative stage, now that the Havana discussions are over.
9. There is, however, a steady demand for thoughtful articles on trading problems and on the part that ITO can expect to play. The difficulty, as will be appreciated, is that any articles sponsored by the Commission or by the United Nations must inevitably take a somewhat neutral stand, while articles by private writers or sponsored by governments can usually adopt a more partisan and thus a more lively approach.
10. The Committee will doubtless wish to consider whether the information programme is, as the Executive Secretary believes, starting on the right lines, and, if so, whether there are any ways in which it can be most usefully developed to assist such governments as may be interested. It is appreciated that some governments with large scale domestic channels of information at their disposal, will find the information service of less value than governments whose services are less developed.

There is, it would appear, an almost unlimited amount of education to be done as to the main purposes of ITO, its place amongst the other United Nations specialized agencies, and the main features of the Havana Charter. The printed word and the spoken word are the vital elements in contributing to this process of education. The Committee may, in fact, wish to propose further developments in publications. In this connection the Executive Secretary urges that, as a general rule, all publications for general information should be attractively printed in the English, French and Spanish languages.

11. Whatever may be the facilities for distributing information through United Nations channels, the Executive Secretary believes that it is the member governments themselves which hold the key to the problem of dissemination. For this reason, it is hoped that, wherever it seems desirable, close working relations between interested member governments and the Secretariat can be established for the consideration of matters involving public information.

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12. The working relations established with the Department of Public Information at United Nations Headquarters will, of course, be maintained with the department of Public Information at Geneva. It should be borne in mind, however, that while the Geneva office offers excellent facilities for disseminating day to day news, for more general information work, the Secretariat will be obliged to rely on the facilities at headquarters.
