

Executive Committee
Second Session

SUMMARY RECORD OF THE FIFTH MEETING

Held at the Palais des Nations, Geneva,
on 27 August 1948, at 3 p.m.

CHAIRMAN: Hon. L.D. WILGRESS (Canada)

RELATIONS WITH THE UNITED NATIONS (ICITO/EC.2/2 Add 1)
(Continued discussion)

Mr. WOULBROUN (Benelux) supported the view of the delegate of the United States that paragraph 3 and 4 of Article 1 of the draft Agreement should be deleted. With regard to paragraph 2 of Article 1, he thought it would be advisable to leave to the Secretariats of the United Nations and the International Trade Organisation a certain amount of freedom to co-operate in their activities.

Mr. POLITIS (Greece) thought that a situation might arise in which the United Nations and the International Trade Organisation might entertain different opinions as to the nature of a measure taken by a member of the Organization if explicit stipulations were not made in the Agreement. The sub-committee when established, should be instructed to deal with this problem.

In answer to a question asked by Mr. TONKIN (Australia), the CHAIRMAN drew attention to the remarks made by the EXECUTIVE SECRETARY at the last meeting when he said that paragraph 2 of Article 1 was needed because of the special nature of the ITO, whose functions overlapped with those of several organs of the Economic and Social Council, particularly the Economic and Employment Commission and its Sub-Commissions,

as well as the Regional Commissions. The details of such arrangements were not written into the Agreement and the future activities of the Administrative Committee on Coordination of the United Nations would have a bearing on such arrangements.

Mr. STEYNE (Observer for the Union of South Africa) requested to be allowed to participate in the work of the Sub-Committee.

The CHAIRMAN replied that all observers would be welcome to attend meetings of the sub-Committee.

Mr. SHACKLE (United Kingdom) thought that the provisions of Article II would need careful consideration. In view of the nature of the matters which would be discussed in some of the subsidiary organs of the ITO, it might be necessary to have closed meetings of such organs to which representatives of other organizations should not be admitted.

Mr. STINEBOWER (United States) thought that unless a variation of wording were required for the sake of clarity, it would be more convenient to make the text as close as possible to that of the agreements concluded between the United Nations and the other specialized agencies. He thought that although the Organization should have the right to hold closed meetings at times, meetings should usually be open to attendance by the representatives of other organizations. It would be too restrictive to stipulate that representatives of other organizations would be allowed to attend its meetings at the discretion of the Organization.

Referring to Article 12 the EXECUTIVE SECRETARY explained that the text was somewhat different from the so-called standard form in which the principle was stated that

the specialized agencies should locate their headquarters at the same place as the permanent headquarters of the United Nations, followed by many qualifying clauses. The present text was more flexible since only consultation was required. He was satisfied that if the ITO undertook to consult it would mean real and not mere formal consultation, since the project of the United Nations to house all specialized agencies in the new building in New York had become less likely of realization. The United Nations would probably be satisfied with the present draft.

Mr. STINEBOWER reminded the meeting that the International Labour Office had had no difficulty in accepting the "standard form" of the Article although it came into existence some time before the United Nations.

Mr. SHACKLE thought it was premature to discuss this question and the writing down in the agreement of anything beyond consultation would inevitably prejudice the decision regarding the site. He therefore preferred the text prepared by the Executive Secretary.

Mr. POLITIS thought that an article of this nature should not be included in a permanent agreement, since the site would presumably be determined at the first conference.

Mr. STINEBOWER in reply to the delegate of the United Kingdom said that he thought any text could have the effect of prejudicing future dispositions in one way or another. By using the "standard form" one would merely give recognition to a fact which had been discussed many times at the General Assembly.

The CHAIRMAN replying to the delegate of Greece, said that such an article was usually found in an agreement of this nature and, in fact, was contained in every agreement between the United Nations and the specialized agencies.

Mr. STINEBOWER requested an explanation as to the reason why paragraph 3 of Article XVI had been drafted in the present form which was somewhat different from the corresponding provisions in other agreements.

The EXECUTIVE SECRETARY replied that it had not been possible to draft this paragraph in more general terms because recent developments had shown the consolidation of the budgets of the United Nations and its specialized agencies was unlikely to be effected very soon.

Mr. RIFAI (Egypt) was doubtful as to the legitimacy of the budget consolidation referred to above. It seemed to him that paragraph 3 of Article XVII of the Charter of the United Nations implied that every specialized agency should have an independent budget of its own. Paragraph 3 of Article XVI must therefore be modified. He suggested referring this question to the proposed sub-committee.

Miss HENDERSON (Observer for the United Nations), replying to the delegate of Egypt at the invitation of the Chairman, said that although paragraph 3 of Article XVII of the Charter had implied independent administrative budgets for specialized agencies, closer co-operation would not be impossible if the specialized agencies should agree to co-operate and if the General Assembly should give its approval.

Mr. RIFAI (Egypt) requested that the sub-Committee, when established, should take special notice of his suggestion.

The meeting was reminded of the omission of any reference to the non-governmental organizations in Article XVIII.

The EXECUTIVE SECRETARY thought that the omission was due to inadvertance and that there would be no objection to its re-insertion.

The document was referred to the Sub-Committee on Administrative Questions.

RELATIONS WITH THE INTERNATIONAL MONETARY FUND
(ICITO/EC.2/2.Add.2 Rev.1)

The EXECUTIVE SECRETARY emphasized that the document was not intended to be a formal or permanent agreement, but merely the minimum practical working arrangements that would be needed for the initial period. As for a definite and permanent agreement between these two organizations, it probably could not be drawn up with advantage until the requirements of the Organizations had been brought to light by the actual operation of the ITO.

Mr. STINEBOWER thought the close relationship between the two organizations would seem to necessitate intensive co-operation. Though it might be premature to enter into any formal agreement at present it could never be too early to prepare and negotiate for such an instrument. The Executive Committee should study and engage in a continuous consultation with the Fund prior to the first session of the conference.

Mr. SHACKLE thought these provisional arrangements would seem to be adequate for the time being as it was difficult to see how the complicated technical questions could be easily dealt with much earlier than the time when the ITO had had some experience in these matters.

There being no further general comments on the draft as a whole, the Articles were read one by one.

Mr. TONKIN suggested that the United States proposal should be studied by the sub-committee.

Mr. PEDROSA (Philippines) pointed out that in paragraph 1 the obligations for the two organizations were unequal, since on the one hand the ITO would invite the Fund to send representatives to attend its meetings, whereas on the other

hand the Executive Directors of the Fund would only recommend such an invitation.

Mr. SAAD, replying on behalf of the International Monetary Fund, said that the executive organ of the Fund was incapable of binding itself to invite the ITO to be represented at its Board of Governors owing to constitutional reasons. Reference was made to Section V (b) of the Rules and Regulations of the Fund.

Mr. SHACKLE suggested that the sub-Committee should try to devise a text which would show a better balance of reciprocity.

Mr. STINEBOWER commenting on paragraph 2, said that in addition to the provisions therein, continuous consultation between these two organizations while the Executive Board and the Executive Directors were not in session should also be provided for in view of the unforeseeable contingencies that might arise at any time.

Mr. AUGENTHALER inquired as to why the words "the closest possible collaboration" were to be changed to "close collaboration". The EXECUTIVE SECRETARY replied that the intention had been merely to improve the style of the text.

In regard to paragraph 4, the Executive Secretary explained that the original text would seem to be too complicated and over-cautious. According to the new text, general information would be exchanged and the limitation of safeguarding confidential material would not be allowed to impair the effective co-operation between the two organizations.

Mr. SHACKLE reserved for his delegation the right to raise questions on certain particular points in this paragraph.

Mr. SAID said that the Fund would prefer the text drafted along the lines of Article 5 of the Agreement between the United Nations and the Fund and would like to present his views to the sub-Committee.

Mr. PEDROSA (Philippines) pointed out that the first and second part of the text should be made into two separately numbered paragraphs, the one dealing with the exchange of information and the other with statistical matters. In his opinion, for the purpose of economy as well as of avoiding contradictory statistical results, the ITO might be spared the costs of maintaining an independent statistical service by arranging with the United Nations for the utilization of the Statistical Office of the latter on a reimbursement basis.

The EXECUTIVE SECRETARY said this possibility had been contemplated as was shown in the footnote on page 4 of the document under discussion. It would seem to be adequate at this stage to reserve room for future consideration.

Mr. SHACKLE stated that such arrangements would lie beyond the limit of maximum cooperation permissible since Article 39 of the Havana Charter had provided in detail the statistical functions of the Organization. The United Nations could hardly be expected to supply such specialized statistics as the "statistics of trade in goods" as was required in sub-paragraph (a) of paragraph 1 of Article 39. Paragraph 6 of the same article provided that the Organization shall act as a center for the publication of statistical information of the particular kind.

Mr. SHACKLE reserved the right to make further comments on Article 5.

In regard to Article 8, the CHAIRMAN suggested that the delegates should give particular attention to the footnote on page 6 and Mr. SADD agreed that questions in connection with this paragraph should be left to the sub-committee for detailed consideration.

The draft of provisional working arrangements with the Fund was referred to the Sub-Committee on Administrative Questions.

RELATIONS WITH THE FOOD AND AGRICULTURE ORGANIZATION
(ICITO/EC.2/2/Add.3)

Mr. RIFAI (Egypt) questioned why provisions were not made in paragraph 4 for participation, but only for attendance at meetings of commissions.

Mr. SHACKLE suggested that attention should be given to the provisions of paragraph 3 of Article 83 of the Havana Charter. The question was referred to the sub-Committee.

Mr. PEDROSA thought that the FAO might take offence at the wording of sub-paragraph (a) of paragraph 2 and suggested that since FAO was already mentioned in Article 67 of the Charter, this sub-paragraph could be deleted and the following words could be added instead at the end of sub-paragraph (b): "and to perform the functions listed in Article 67 of the ITO Charter." The sub-Committee was instructed to give attention to this proposal.

The sub-Committee was also asked to consider the substitution of the words "Economic and Social Council" for the "Secretary-General" in Article 13.

Mr. RODRIGUES (Brazil) pointed out a discrepancy in wording between Article 12, in which no specific organ of the ITO was mentioned, and Article 14, in which reference was made to the Executive Board. The CHAIRMAN, while

pointing out that in the revision and termination of the agreement prompt action might be necessary to meet a situation of emergency and this might necessitate the intervention of the executive organ permanently in session, suggested that the matter be considered by the sub-Committee.

Mr. PILAI (India) took the place of Mr. WILGRESS as CHAIRMAN of the meeting at 5.00 p.m.

RELATIONS WITH THE INTERNATIONAL LABOUR OFFICE (ICITO/EC.2/2/
Add.6)

Mr. AUGENTHALER questioned the necessity of the preamble to the agreement. The EXECUTIVE SECRETARY replied that the suggestion for the deletion of the preamble had been presented to the ILO Secretariat in the course of consultation, but the ILO would prefer its retention. He had therefore not pressed this point.

Mr. STINEBOWER (United States) expressed once again his opinion that the text of such an agreement should be made as close as possible to similar agreement.

Mr. de VRIES (Benclux) was doubtful as to why the ILO should be recognized as a competent organ within the meaning of Article 67 of the Havana Charter, as was set forth in Article 3 of the agreement.

The EXECUTIVE SECRETARY said that the ILO had requested the inclusion of such an article because of their interest in commodity matters in relation to employment. This relation was clearly recognized in Article 62 (b) of the Havana Charter. Paragraph 2 of Article 3 had been carefully worded so as not to imply an automatic right of participation in the work of the commodity council. As the article stood, the ITO would have only the obligation to examine the desirability of inviting the ILO to be represented at a commodity council.

Mr. de VRIES said that he would revert to the question in the proposed sub-Committee.

Mr. STINEBOWER said that, owing to the late circulation of this paper, he would ask for the liberty to express his opinion more fully at a later stage.

The document was referred to the proposed sub-Committee.

The meeting rose at 5.45 p.m.