
Executive Committee
Second Session

SUMMARY RECORD OF THE TENTH MEETING

Held at the Palais des Nations, Geneva,
on 3rd September 1948, at 10 a.m.
CHAIRMAN: Hon. L.D. WILGROSS (Canada)

Future Work of the Interim Commission.

Referring to the Executive Secretary's report (ICITO/EC. 2/5) the CHAIRMAN said that the Secretariat, although concerning itself mainly with the preparation for a second session of the Executive Committee, had given some attention to its future program at work. An analysis of the Charter in terms of the functions and responsibilities of the Organization had been prepared. It dealt mainly with the Conference of the Executive Board and the Commissions and it was proposed to add material on the functions of the Secretariat at a later stage. It had been thought useful to prepare a list of items to which the Executive Committee might give some attention. It was considered important that the ITO, which would have a very late beginning among specialized agencies, should be in a position to make a prompt and effective start. He therefore suggested for examination a list of Items on page 5 of the Secretary's report.

Dr. AUGENTHALER (Czechoslovakia) said that the functions of the Interim Commission had been laid down by paragraph 2 of the Annex to the Havana resolution establishing an Interim Commission and the Executive Committee should limit its activities strictly in accordance with the Annex to the Resolution. In particular the Executive Committee should not attempt to deal with matters of such vital concern to all future members of the Organization as the division of powers between the Executive Board and the Conference.

The CHAIRMAN said Mr. AUGENTHALER was correct in saying that the Executive Committee should not go beyond its terms of reference, but the Interim Commission had been assigned certain tasks by the Havana Conference, the execution of which the Commission had entrusted to the Executive Committee. Among these, paragraph 2(b) of the Annex asked for recommendations on all the matters listed. It was incumbent upon the Executive Committee to give the Executive Secretary some directives regarding the preparation necessary for the fulfilment of these functions by the Committee. He then submitted to the examination of the Executive Committee point (a) concerning recommendations to the Conference as to the powers and duties which should be assigned to the Board in accordance with Article 77.

Mr. OFTEDAL (Norway) proposed that the First Conference of the ITO should delegate to the Executive Board all the powers which were not specifically assigned by the Havana Charter to the Conference itself, with the proviso that the Conference might at any time recall any of the powers which it had delegated. This proposal was inspired by Ambassador Colban who had since the Havana Conference drawn up a list of some fifty clauses giving the Conference powers which, he suggested, should be delegated to the Executive Board. This was important in view of the fact that the Executive Board would be in more or less continuous session whereas the Conference would meet once a year. He therefore proposed that the Executive Committee instruct the Executive Secretary to prepare a document on these lines.

Mr. SHACKLE (U.K.) wished to support the Norwegian proposal suggesting that Ambassador Colban's work would be the best basis to start from.

Mr. ADARKAR (India) thought the Norwegian proposal was eminently reasonable and practical. However, he feared that the Executive Board might well interpret this delegation as a final assignment of powers. Members should be able to appeal to the Conference against decisions of the Executive Board. The Conference should also be enabled to examine the possibility of withdrawing the delegation of power,

Mr. SHACKLE (U.K.) thought that the point raised by Mr. Adarkar might be covered by Article 95 of the Havana Charter.

Mr. PEDROSA (Philippines) suggested that the Executive Committee might investigate the whole field of the functions of the Conference, the Executive Board and the Director General.

Mr. ADARKAR (India) did not consider that Article 95 covered all cases, for instance there was no provision for appeals under Articles 13 and 14. It only took into consideration Paragraphs 2 and 3 of Article 94. It therefore seemed necessary to him to make it quite clear that a decision of the Executive Board would be subject to appeal to the Conference.

Mr. AUGENHAUER (Czechoslovakia) said he still felt that the question of the powers of the Executive Board was one of the most important for the Organization. He thought that for the moment it would be best to confine investigations to the powers held by Conferences and Executive Boards of similar Organizations. He thought the Executive Committee was deviating from its terms of reference which were merely to convoke the Conference. He also felt that the Executive Committee was not representative of many countries, for instance the South American and under-developed countries,

which at the Havana Conference had been very discontented with the proposed composition of the Executive Board. The position of these countries might be prejudiced if a Committee of such limited membership were to attempt to consider this question.

Mr. KOJEVE (France) agreed with the remarks of Mr. Augenthaler.

Mr. STINEBOWER (U.S.A.) said he agreed generally with the proposals set forth by the Norwegian Delegate. He thought no real conflict of views emerged from the discussion. It was obviously inexpedient to have to wait for the session of the Conference before a decision could be taken on certain matters. It was also obvious that the delegation of powers was not final. In any case, the Executive Board would have to report to the Conference and there would be a debate even if there were no appeals. He would ask: Were there any functions of the Conference other than those specifically assigned to it, which should not be delegated to the Board? The second point he had to make related to all the matters listed from a) to k) in the Executive Secretary's report. He thought these points should be considered in relation to the budget estimates from October 1948 to December 1949, submitted by the Executive Secretary. He had examined the list of items in connection with the sum of \$ 400,000 budgeted for this period and he could not see how this somewhat routine work could require more than a year, nor justify the outlay of such a sum.

Mr. TONKIN (Australia) supported the Norwegian proposal and suggested that the Representative of Norway should submit the result of Ambassador Colban's study to the Executive Secretary who could supplement this information with any studies made by the Secretariat experience, so that the Members

of the Executive Committee on leaving Geneva could give serious attention to the matter.

Mr. REISMAN (Canada) agreed with Mr. Stinebower that the discussion had been proceeding on parallel lines. The question under discussion was the most important single item the First Conference would find in its agenda. There was no question of the final sovereignty of the Conference, and he therefore saw no reason why the Norwegian proposal should not be accepted. It followed from the fact of the final sovereignty of the Conference that it could withdraw any delegation of power.

Mr. WOULBROUN (Benelux) also agreed that there would have to be a delegation of powers.

Mr. POLITIS (Greece) agreed that the Executive Secretary should be asked to study the question and report to the Executive Committee the definitive decision to be taken by the Conference.

The CHAIRMAN thought there had been enough discussion to give the Executive Secretary guidance in his work. There was no fundamental difference of opinion although some Delegates wanted a further study of the question. He thought the best course would be to agree in principle that the Norwegian proposal was deserving of careful consideration. The Executive Secretary should study the functions not specifically assigned by the Charter to the Conference and submit the result of this investigation to the Executive Committee which could decide what to recommend to the Conference. The Executive Secretary's study would also embrace Executive Board decisions under Article 13.

The Executive Committee agreed to the Chairman's proposal.

Mr. AUGENTHALER (Czechoslovakia) wished to reiterate that this was a major question. These functions had been assigned by the terms of reference of the Havana Resolution to the Interim Commission, not to the Executive Committee which was therefore not competent. He suggested that the fifty-two members of the Interim Commission should also receive information and be asked to send in their opinion. The transfer of all powers to the Executive Board could be a deterrent to ratification by certain countries.

The CHAIRMAN called the attention of Mr. Augenthaler to paragraph 1 of the Annex to the Havana Resolution which authorized the Interim Commission to delegate any or all its functions to the Executive Committee. In fact all functions had been delegated. Moreover, all members of the Interim Commission had been invited to send observers, and documents were circulated among all members of the Commission. He would also like to add that the Executive Committee would only be making recommendations to the Conference which could accept or reject them. It was however important that the Conference should have material for an intelligent discussion of the problem when it met, without having to remit the question to a sub-committee to prepare the necessary initial studies.

Mr. ADARKAR (India) said he was in favour of the proposal that the Executive Secretary should study the question, but he wished to insist that the possibility of appeals to the Conference at any moment against decisions taken on the strength of delegated powers be borne in mind by the Executive Secretary.

Mr. WCUIBROUN (Benelux) said that on the question of the authority of the Executive Committee, he did not share the fears of Mr. Augenthaler. The Executive Committee had the

full confidence of the Interim Commission by which it had been elected and from which it had received full delegation of powers.

Mr. KOJEVE (France) agreed with the Chairman from a legal point of view, but he was not sure that recommendations from the Conference to the Executive Committee would be opportune. Besides the recommendation on the basis of the Indian proposal would be made with too scant knowledge of the situation. He suggested that the best way to prepare the work of the Conference was in the form of studies and not in the form of recommendations.

The CHAIRMAN pointed out that the question whether recommendations or simply information would be submitted at the Conference would arise at the next meeting of the Committee. Meanwhile the Executive Secretary could give close study to the question.

Mr. AUGENTHALER (Czechoslovakia) wished to correct the impression that he had said there had been a lack of confidence at Havana in the Executive Committee. He had only expressed the feeling that at Havana many countries had fears about the composition of the Executive Board of the Organization, particularly in the matter of permanent seats.

The CHAIRMAN, referring to Mr. Stinebower's remarks on the budget of the Executive Committee, said that an opportunity for discussion would be afforded at the appropriate time. As this was a public session, however, and the discussion of the budget would take place in a private session, he thought it would be advisable to call upon the Executive Secretary to make a few comments.

The EXECUTIVE SECRETARY said he would have preferred not to take up the time of the Executive Committee at this moment

as the place for such a discussion was the Sub-Committee on Administration and the Executive Committee when the Sub-Committee on Administration made its report. But as Mr. Stinebower had spoken in the course of a public meeting he felt bound to comment on the implications in the statement of the United States Delegate that an inflated budget had been presented in relation with the half dozen items under discussion.

It was obvious that the budget did not relate only to this half-dozen items. Moreover personnel expenses were only one and not the largest item. The estimates had of necessity to be based on very uncertain factors and were a forecast of the upper limit to be submitted to the Secretary-General of the United Nations in order that he might include them in his report to the Assembly. He had to assume a third Session of the Executive Committee and also provide for certain services which might be furnished, with the consent of the Executive Committee, to the Contracting Parties to the General Agreement on Tariffs and Trade.

Mr. RODRIGUES (Brazil) referring to paragraph 2(b) of the Annex to the Havana Resolution, said that the word "recommendations" might convey the idea of decisions and that it would therefore be best interpreted by the use of the word "suggestions".

The CHAIRMAN replied that it was for the next session of the Executive Committee to decide whether it would make recommendations or suggestions or only submit documentation.

The Executive Committee agreed.

The CHAIRMAN introduced the discussion of paragraph (c), initiation, in collaboration with the International Monetary Fund, of arrangements for the preparation of the report referred

to in Article 23, paragraph 1 (g) of the Havana Charter which the Organization was requested to make no later than March, 1950, and suggested that the Executive Secretary be asked to make suggestions to the next meeting of the Executive Committee.

Mr. AUGENTHALER (Czechoslovakia) said this question fell within the competence of the Organization and not of the Interim Commission.

The CHAIRMAN then asked the Executive Committee if it would agree to have the Executive Secretary submit suggestions to the Executive Committee which could then decide what should be done.

Mr. REISEMAN (Canada) said the time limit appeared to be not very long and that in his opinion it would be desirable that preparation go forward.

The Committee accepted the view of Mr. Reisman.

On the discussion of point (d) as to recommendations regarding the nature of the statistical work to be undertaken under Article 39, Mr. SHACKLE (United Kingdom) thought it followed from this Article that the type of statistics in question would be those of the international movement of goods. There appeared to be a clear line of demarcation between the statistical responsibilities of the ITO and other Organizations.

Mr. CORSE (United States) asked for information as to the kind of suggestions the Executive Secretary had in mind. He felt that this was a very technical matter and wondered whether the Secretariat was competent to handle such work.

The EXECUTIVE SECRETARY thought the Secretariat had people competent to deal with the general aspect of this

question. When advice was needed, the United Nations Statistical Services and other bodies could be consulted. The Statistical Services of the United Nations were engaged in the study of trade statistics and were in particular considering the re-introduction of certain series of trade statistics formerly published by the League of Nations. In the light of the provisions of Article 39 it was necessary to examine which share of the work could fall upon the I.T.O. and in connection with this work, a series of administrative problems would arise which the Conference of the ITO would find difficult to deal with unless some preparatory work were undertaken.

Mr. CORSE (United States) had some reservations to make in this matter because he did not appreciate what use consultations between the Secretariats would be without the benefit of specialists. The result might be some general statement the usefulness of which he doubted.

The CHAIRMAN said he agreed that statistical questions were complicated and, for this very reason, thought that some information should be prepared for the Conference.

Mr. REISMAN (Canada) thought it would be appropriate to note that the Executive Secretary had been called upon to do many large tasks with a very small staff. Important and useful documents had been received by the Executive Committee. He felt that even with his small staff, the Executive Secretary would be able to provide information on this point which would be very useful.

Mr. WOULBROUN (Benelux) said the Executive Committee should ask the Executive Secretary to make recommendations which would give indications as to the nature of such work. He thought the investigation now under discussion would not

greatly overburden the admittedly numerous tasks of the Secretariat.

Mr. AUGENTHALER (Czechoslovakia) said he was not sure what was meant by the Executive Secretary in his reference to Article 39. He thought the Secretary's task should be limited to the provisions of paragraphs 6 and 7 which dealt with the organizational side of the statistical work and nothing more.

The EXECUTIVE SECRETARY feared that in presenting this item he had erred on the side of brevity. He had avoided giving details of the mechanism involved in providing documents to the Committee. He had been impelled to frame this suggestion in its present form because of his knowledge of the reluctance of the Executive Committee to enter into formal relationships with other bodies. Otherwise, he would have suggested that this matter be referred by the Executive Committee to the Statistical Commission for advice. This seemed to him the best course.

His intention had, therefore, been to contact the Director of the Statistical Division of the United Nations, who could in turn consult the members of the Statistical Commission who would be the experts to whom Mr. Course had referred. In this way he hoped to obtain specialized technical advice on the best way to implement Article 39. This information would enable the Conference to come to a decision in the light of all relevant factors and in particular in relation to the obligations regarding statistical coordination which the ITO would assume under its agreement with the United Nations.

Furthermore there was at the United Nations Headquarters a representative of the Secretariat who attended the Administrative Committee on Coordination which had a Sub-Committee on

Statistics. The Secretariat was thus in a position to obtain the views of all the agencies concerned on the statistical functions of the ITO and their relation to other statistical activities of the United Nations and Specialized Agencies.

He had certainly no intention of going beyond the competence of the Secretariat and if the Executive Committee so wished, it could authorize him to refer the matter officially to the competent bodies and submit to the Executive Committee their expert opinion. He had suggested obtaining this information informally for the reasons he had already given. It was, of course, for the Executive Committee to decide which course he should take.

The Executive Committee agreed to authorize the Executive Secretary to proceed to consultations on an informal basis with the competent United Nations' services and to make suggestions based on these consultations as to how the Organization could best carry out the provisions of Article 39.

Passing to point (c) regarding the rules of procedure for the Conference, Article 76, paragraph 2, the CHAIRMAN said that all interim commissions prepared such rules as a matter of course.

Mr. OTTEDAL (Norway) suggested that the Executive Secretary use as a basis for his work the rules of procedure of the Havana Conference bearing in mind subsequent provisions of the Charter. He mentioned paragraph 3, Article 80, paragraph 4, Article 83, paragraph 2, Article 84 and paragraph 2, Article 75.

The Executive Committee agreed.

The CHAIRMAN referred to point 2(b) (2) of the Annex to the Havana Resolution which assigned to the Interim Commission the task of studying the question of the future headquarters of the Organization. He did not think this was the time to debate the question but the Committee might have a discussion on procedure.

Mr. REISMAN (Canada) did not think a lengthy discussion on the future site of the ITO was desirable. No data as to the relative advantages and disadvantages of the different sites, such as office accommodation, housing conditions for the staff of the Secretariat, hotel accommodation for visiting delegates, cost of living, communication with other centres, etc. had been received. He thought it would be comparatively easy for the Executive Secretary to provide such data at the next session in accordance with the instructions the Executive Committee might give him. United Nations Headquarters and many of the specialized agencies would have ample material to draw on. He thought one obvious selection for investigation was New York and another was Geneva. The Canadian delegation further wished to propose two cities about which the Executive Secretary should furnish the necessary data. The Canadian delegation felt that close co-operation with the Fund and the F.A.O. was an argument in favour of situating the ITO at no great distance from the headquarters of these two specialized agencies and he proposed for investigation Princeton, New Jersey and Philadelphia and vicinity, in both of which he understood there were buildings which might be suitable and available. Other members of the Committee presumably had other cities to suggest and a report by the Secretariat would enable the Committee at its next meeting to deal competently and objectively with the matter, before making a report to the First Conference.

With regard to Branch Offices, he thought the question was perhaps premature, and should be investigated after the ITO had been set up.

Mr. POLITIS (Greece) suggested that the Executive Secretary limit his investigations to New York and Geneva. If other delegates had other sites to propose, they should furnish the relevant data.

Mr. OFTEDAL (Norway) thought that in view of the close collaboration which was envisaged with the FAO and the Fund, Washington should also be examined as a possibility.

Mr. REISMAN (Canada) said it seemed almost certain that at the Third Session of the Executive Committee, there would be other suggestions besides New York and Geneva. These investigations meant too heavy burden for the Executive Secretary and he thought the Committee should make other suggestions.

Mr. TONKIN (Australia) suggested Paris, London and Brussels.

Mr. SHACKLE (United Kingdom) suggested investigations be limited to New York, Geneva, Paris, London and Brussels. For other suggestions, the delegations making the proposal should furnish the data.

Mr. KOJEVE (France) supported this proposal.

Mr. NAPOLI (Italy) proposed Rome.

Mr. AUGENTHALER (Czechoslovakia) suggested that investigations be limited to Geneva and New York. If other cities were to be considered, it was for the governments of the countries in which they were situated to propose them and to furnish the necessary information.

Mr. JIMENEZ CASTILLO (el Salvador) thought that a site which would provide the greatest technical facilities to the Organization for carrying out its duties and functions should be the only factor guiding the Executive Secretary.

Mr. CORSE (United States) suggested that the enquiries relate to the New York area rather than to the city alone.

The CHAIRMAN put to the vote, as the furthest removed from the original proposal, the proposal of Mr. Augenthaler that the investigations of the Executive Secretary should be confined to Geneva and New York.

The proposal was carried by 9 votes in favour and 2 against.

The meeting rose at 1.40 p.m.