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PREPARATORY COMMITTEE OF THE INTERNATIONAL CONFERENCE
ON TRADE AND EMPLOYMENT

HEADS OF DELEGATIONS - SECOND MEETING

Thursday, 24 October 1946 at 11.30 a.m.

Chairman: M. SUETENS (Belgium)

M. SUETENS, Chairman, opened the meeting.

In view of the fact that all Committees had already met and it was thus possible to have some idea of the progress made, the Chairman raised the question of the need for the Preparatory Committee to reach some agreement on the form that its final report would take, and stated that he would like to submit certain suggestions. Using as a basis the terms of reference as well as the material placed before the Committee, there were various possibilities:-

1. It was possible that no agreement could be reached, in which case an objective report would be necessary;
2. If some manner of an agreement were possible, there were two alternatives: the first being to report that agreement could be reached but that the definite form of agreement should be deferred to a later date, and the second being to draft the agreement as far as possible.

The Chairman thought that the text of the agreement could be based on the American proposed Charter or one of the other texts submitted, suitably annotated to illustrate the different points of view expressed. He would like to have the views of the Committee Chairman and Heads of Delegations on this question.

The Chairman then called upon the Chairmen of the Committees to give their views and to report on the work done so far.

Dr. WUNSZ KING (China), Chairman of Committee I.

Dr. King initiated his statement by giving a detailed and thorough resume of the discussions to date in his Committee. He then suggested that a complete document be worked out, arranging it in such order that

articles on which agreement had been achieved and non-agreed articles would be grouped together in the order of the suggested United States Draft Charter or of the Brazilian Paper. This would give a comprehensive view of the results of the meeting in one complete document. He also suggested the possibility of a Drafting Committee being set up after the conference, and said that once agreed and non-agreed articles were thus grouped a further conference could consider the whole document as well as all outstanding points, and a further effort would be made to come to an agreement.

Dr. COOMBS (Australia), Chairman of Committee II.

Dr. Coombs stated that Committee II had made good progress, and that an outline of work had been submitted and adopted consisting of nine items, of which two had been disposed of. As to the final report, he pointed out that this was a preliminary meeting and that delegates were still in the stage of "thinking out loud". Many delegates come from governments which have not had time to consider these matters thoroughly, and he felt that it might embarrass certain governments if they were faced with a report, at this stage, in the form of a draft agreement. However, he did not want to lose the benefit of any of the work done. Dr. Coombs proposed that the report be made under the headings of the provisional agenda, that is, substantially of the United States Draft Charter; under each of these headings there would be a report in continuous form, reviewing the main principles agreed upon at the meeting and drawing attention in the second place to any conflicting views. This could be a brief chapter but would provide a background for the consideration of the rest of the report. The second part of the report would be in the form of instructions to a Drafting Committee and would form the basis for the preparation of a Draft Charter. In the third place, there would be an appendix in the

form of a draft charter, including those parts of the United States Charter on which there was general agreement, any amendments or additions which were proposed or agreed upon, and any alternative draft clauses. He felt that this form of report would allow the Preparatory Committee to reap the full profit of its deliberations.

M. DIETERLIN (France), Chairman of Committee III, was not present at the time, and the Chairman therefore called upon

Mr. HELMORE (United Kingdom), Chairman of Committee IV.

Mr. Helmore felt that Dr. Coombs' approach to the question was a very valuable one. He thought that it was difficult to envisage the exact nature of the report until the subject could be seen as a whole. In particular it must be remembered that the tariff negotiations were an essential part of the whole picture. Mr. Helmore felt that there was a good deal to be said for having a Drafting Committee working in an expert capacity, which could take the essential suggestions and prepare drafts on these suggestions to which governments would probably not want to be a party until they could see the subject as a whole. He felt that it might be advantageous for the delegates to report to their governments after this meeting and arrange for a Drafting Committee to meet early next year. This Drafting Committee could have done a good bit of work by the time the tariff negotiations took place.

Mr. EDMINSTER (United States), Chairman of Committee V.

Mr. Edminster pointed out that Committee V's work was behind that of the other Committees. He was favourably impressed by Dr. Coombs' suggestions. He felt that the work on the final report of his Committee would fall into three categories: First, consideration of provisions of a routine character and with respect to which it seemed probable that agreement would be easy. On these points there might be provisional drafts. Second, controversial matters not closely

dependent on the outcome of the work of the other Committees. He suggested that effort be made to agree on these and formulate the agreement in actual terms of a proposed draft. If it was not possible to agree, he suggested that it would be worth while to prepare alternative drafts for use by the Drafting Committee later. Third, controversial provisions dependent upon the outcome of the work of the other Committees. He suggested that if there were a wide measure of agreement an attempt be made to put the provisions of the Charter into draft form. If there were not sufficient agreement there should still be an attempt to prepare provisional alternative drafts. This was a matter for further consideration.

M. SUTENS, Chairman.

M. Sutens suggested that since Committee III was still in session the meeting should proceed with its discussion by asking for suggestions from Heads of Delegations. He summarized the discussion so far by stating that a concrete proposal had been submitted by Dr. Coombs that the report should be in two parts: the first a general narrative report of the discussions of the Preparatory Committee, and the second part to take the form of instructions to a Drafting Committee, and, thirdly, as an appendix, an annotated Draft Charter, containing alternative texts to cover different viewpoints when these existed. It was suggested that the Drafting Committee start work before the next meeting of the Committee in 1947.

M. KUNOSI (Czechoslovakia) then asked if the second part of the report would be a majority report or a compromise report.

Dr. COOMBS (Australia) replied that it would specify cases where agreement had been reached and offer alternative suggestions where there had been no agreement.

Mr. MALIK (India) said that the Joint Committee on Industrial Organization had had only one session but would proceed further on the general discussion.

Mr. McKINNON (Canada) asked for a clear understanding of Dr. Coombs proposal. He understood that the report would relate strictly to the terms of reference and therefore would be a review of the operations and activities of the Committees but would contain no recommendations.

Dr. COOMBS said that it would contain no recommendations but would review the substance of the discussions.

Mr. McKINNON said that he understood part two would clearly outline those suggestions upon which there had been agreement and therefore would probably contain recommendations and would be ready then to go to the Drafting Committee.

Dr. COOMBS said that there were some items to be dealt with upon which agreement had not been reached, and he thought it would be in order also to refer those to the Drafting Committee for preparation of alternative drafts.

Mr. McKINNON asked what was the distinction between part two and the appendix.

Dr. COOMBS replied that the appendix would be the United States Charter altered or revised, and it would be completed with alternative proposals and additions. He thought that a new Draft Charter should not be put forward as the work of the Committee but that the United States Charter, with additions, etc., should be used by the Drafting Committee.

Mr. McKINNON asked if such amendments as appeared in the appendix would contain recommendations also contained in part two of the report.

Dr. COOMBS said that they would contain the equivalent of their recommendations.

Mr. KUNOSI (Czechoslovakia) wondered whether the plan as proposed by Dr. Coombs gave the widest possible scope for compromise within the work of the Preparatory Committee. He said that if it were understood

that the Charter was being prepared for application over a long term period many delegations would look at it in a different way, and he felt that their views were now distorted by the problems of the transitional period. He said that if their countries could be reassured about the transitional period a much greater measure of agreement could be reached.

M. RICHARD (France) pointed out that the question of dispensations granted in respect of the transition period would be of much influence on agreement to be reached on other points.

M. SUYTENS, Chairman, stated that he understood the position and special problems of France and Czechoslovakia but that the substance of their remarks was not contradictory to Dr. Coombs' suggestion.

Mr. WILCOX (United States) said that as to the form of the final report of this session of the Preparatory Committee, the suggestions made by various delegates fitted into the framework suggested by Dr. Coombs. He thought that the next stage of the work would be the appointment of an interim Drafting Committee consisting of technical experts who would proceed on a tentative basis under instructions given to them in the report. He thought that the work might be initiated at the beginning of January after an interval for consultation with the various governments, but that the Drafting Committee should not function during the present conference. He said that the third stage would be the second meeting of the Preparatory Committee, and that if there was general agreement the United States was prepared to move that the second meeting of the Preparatory Committee convene on the 31 March 1947, in Geneva. He also hoped that this Committee would sponsor negotiations with respect to tariffs, which would surely be comprehensive and difficult. Those negotiations would constitute the major portion of the work at the spring meeting. In order to prepare for those

negotiations, the drafting of the Articles of Agreement should be completed in tentative form, including alternatives where no agreement had been reached. He thought that the aim should be that the work of drafting should be concluded at least by the time of the completion of the tariff negotiations so that a comprehensive report could be ready for consideration by the World Conference on Trade and Employment which might take place by September 1947.

M. SUIETENS, Chairman, thought that this discussion had gone much further than intended as it had been proposed only to define the form of the conclusions.

M. DIETERLIN (France), arrived and gave an outline of the progress of work of Committee III.

Dr. WUNSZ KING (China) accepted Dr. Coombs' proposals for the report of the Preparatory Committee, as he understood that they were readily reconcilable with his own.

Mr. WYNDEHAM-WHITE (Executive Secretary) expressed the hope that, in order to facilitate business, Committees might think fit to meet at a rather earlier hour in the morning than hitherto.

He added that Minutes of the present Meeting would be prepared and submitted to Heads of Delegations; they would not appear as Conference Papers. He also drew attention to a document on the subject of publicity arrangements which had been circulated to delegates.

M. SUIETENS, Chairman, stated that the question would be taken up again at the next meeting of the Heads of Delegations, at which time the Secretariat would have prepared a paper based upon Dr. Coombs' proposal as elaborated and modified by other delegates.

The next meeting was announced for Friday, 1 November, at 11.00 a.m.