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DRAFTING COMMITTEE OF THE PREPARATORY COMMITTEE OF THE UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT

REVISION OF SECRETARIAT PAPER ON
PLAN OF WORK OF THE SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE INTERNATIONAL CONFERENCE ON TRADE AND EMPLOYMENT

I

1. At its First Session held in London from 15 October to 26 November 1946, the Preparatory Committee of the International Conference on Trade and Employment resolved to convene a Second Session to meet at Geneva on 8 April 1947, to consider certain items of its agenda in accordance with the Economic and Social Council's Resolution of 18 February 1946. By another Resolution regarding Negotiation of a Multilateral Trade Agreement Embodying Tariff Concessions, the Preparatory Committee recommended that a meeting involving such negotiations between Member governments should be held under the sponsorship of the Preparatory Committee in connection with, and as part of, the Second Session, and conducted in accordance with the Memorandum on Multilateral Trade Agreement Negotiations approved by the Preparatory Committee at its First Session. By the same Resolution, Member governments were invited to communicate to the Secretariat their views on the above mentioned recommendation. No Government has given any indication, in reply to the Secretariat's communication on this point, that it would see any difficulty in the convening of the Second Session in accordance with this Resolution. In view of this fact, it is proposed that the Second Session of the Preparatory Committee, at which multilateral tariff negotiations will be conducted, will take place as planned. It has been found appropriate, however, to suggest that the opening be delayed two days so that delegates will not be inconvenienced by the Easter traffic. The Session will, therefore, begin at 3:00 p.m. on

/10 April

10 April in Geneva in the building of the United Nations and cabled communications to this effect are being addressed to the Governments concerned, as well as to the Food and Agriculture Organization, the International Labour Organization, the International Bank for Reconstruction and Development and the International Monetary Fund, The American Federation of Labour, the International Co-operative Alliance, the International Chamber of Commerce and the World Federation of Trade Unions are also being advised, and the Secretariat is drawing their attention to the fact that most of the work in Geneva will probably take place in closed session as was the case in London.

2. By note dated 24 January 1947, the Department of Economic Affairs of the United Nations drew the attention of the delegates to the Drafting Committee, set up by the Preparatory Committee at its First Session, to the provisions of the Memorandum on Multilateral Trade Agreement Negotiations approved in London (Annexure 10 to the Report of the First Session), in regard to the exchange of information in anticipation of the Second Session, and requested them to bring the question to the notice of their governments so that the necessary interchange of documentation could take place as early as possible. This information refers to the base date for the negotiation of preferences, exchange of customs tariffs and submission of lists of requested concessions. The documentation already received is being distributed to the Governments concerned and it is expected that governments will hasten to forward to the Secretariat the necessary information whenever they have not already done so. Such action is essential to the smooth beginning of the tariff negotiations. The lists of products on which countries are requesting tariff reductions will be treated as strictly confidential by the Secretariat. Also in accordance with the Memorandum in question, Governments have been asked to provide the Secretariat with an indication of the number and size of the negotiating teams that will be sent to Geneva for the tariff negotiations.

/II

II

Schedule of Meetings at Geneva

1. (a) At the Seventh Heads of Delegations meeting held on 21 November 1946 (document E/PC/T/Del/17) in London, the Delegate for the United Kingdom stated that his delegation felt it would be wise to concentrate at Geneva on the tariff schedules for a considerable time at the beginning of the conference, fixing 8 May as the date on which to start discussing the general clauses. He added that the report of the Drafting Committee would lie on the table for four weeks from the beginning and then the Delegations would summon their experts. Work on tariff negotiations could continue along with work on the general clauses. This proposal was agreed to.

(b) However, the Delegation of the United States to the Drafting Committee has circulated a document (E/PC/T/C.6/53) suggesting that certain provisions of the Charter closely related to the tariff negotiations might usefully be examined simultaneously with the initial discussions on tariffs, it being understood that the tariff negotiations should in all cases have priority in the event of a conflict of meetings. This view is based on the following considerations:

(i) It would appear desirable to use to the extent practicable the period that will elapse at the beginning of the Second Session while each Delegation is considering the lists of concessions offered by other Delegations.

(ii) It will be necessary to reach a conditional and tentative understanding on certain fundamental provisions of the Charter, as otherwise tariff negotiations might well be impeded, particularly in view of the doubt it would cast on the value of the tariff concessions to be exchanged.

Consequently, the United States suggests that all Delegations should be ready to discuss the Draft Charter from the beginning of the Geneva Session.

/(c) It is

(c) It is necessary that the Governments concerned should consider the implications of the United States' suggestions and make arrangements with regard to their representation in Geneva which will enable the tariff negotiations to proceed without being held up by unresolved issues as to the bearing of relevant provisions of the Draft Charter.

(d) A solution to the problem might be found by arranging for each Delegation to include, as from 10 April, responsible officials who besides serving on the committees mentioned below could also, as necessary, discuss and carry to the stage of provisional conclusions such questions relating to the relevant tariff provisions of the Charter as might have to be dealt with in the initial stages of the Session.

2. Stages of the Work at the Second Session.

(a) In accordance with Section E, Base date for Negotiations, paragraph 3, and Section F, paragraph 1, First Stage, of the Memorandum on Multilateral Trade Agreement Negotiations (Annexure 10 to the Report of the First Session) the preliminary stages of the tariff negotiations at Geneva are now being accomplished. The Secretariat is circulating the information provided for in the referred paragraphs as it is received, and avails itself of this opportunity to urge Members to transmit the data in question whenever they have not already done so.

(b) 10 April

(i) A Heads of Delegation Committee will presumably be set up to exercise superior direction over the activities of the Second Session as a whole.*

* Although Syria is not a member of the Preparatory Committee and, consequently is not expected to sit on the Committees to be set up to study the Charter, on which - in any case - Lebanon will represent the Syro-Lebanese Customs Union, it is thought reasonable to have Syria on the Heads of Delegations Committee. Otherwise, it would be necessary to divide the work into (1) Charter and (2) Tariffs, in all respects; as the two subjects are so closely interconnected, such a procedure would be undesirable.

/(ii) The Tariff

(ii) The Tariff Steering Committee mentioned in paragraph 2, Section F of the Memorandum, should be set up immediately, to centralize and guide the work on tariff negotiations, and should be composed of representatives of all the Delegations participating in the tariff negotiations.

(iii) Each Member will submit a schedule of the proposed concessions which it would be prepared to grant to all other members in the light of the concessions it has requested from them. (Section F, paragraph 1 of the Memorandum mentioned above). Delegations will require some time to study the concessions offered by other members. Tentative tariff negotiations should begin in accordance with Section F, paragraph 1, Third Stage, of the Memorandum on Multilateral Trade Agreement Negotiations as soon as the Delegations feel they have studied the concessions sufficiently.

(iv) On 8 May the Preparatory Committee would take up the Draft Charter with a view to carrying to a conclusion all outstanding points. It is suggested that the Preparatory Committee may find it convenient during its Second Session when the Draft Charter has already been exhaustively considered by the First Session and been re-examined by the Drafting Committee, not to use a committee structure similar to that which was employed in London, but to avail itself of a system somewhat similar to that which has been used by the Drafting Committee, i.e., to study certain parts of the Charter in plenary session, setting up ad hoc groups and sub-committees as necessary to deal with specific questions. This procedure might go far to avoid the unnecessary repetition of discussion and arguments advanced at the First Session.

/(v) It is

(v) It is expected that by the time the experts on the Delegations have studied the lists of proposed concessions, the Tariff Steering Committee will have planned as far as possible, the broad lines of the progress of the negotiations. The Secretariat is preparing statistical material to facilitate such planning. Although one hundred and thirty-six bilateral combinations are possible, it is obvious that they will not be carried out simultaneously and - further - that a number of them will have lesser importance. For the rational planning of the negotiations, their relative importance and inter-relation will have to be studied in advance as far as this may be feasible.

(vi) As the negotiations proceed it will be necessary for general reviews of what has been agreed to take place periodically or, if possible, continuously. This would serve the purpose of enabling the secondary suppliers which did not participate in negotiations concerning any product to inform themselves of the position reached.

(vii) Once a point were reached when substantial and satisfactory agreement had been attained, it would be time to consider Items 11, 12, 13 and 15 of the Agenda of the Preparatory Committee at its First Session, which were referred to the Second Session. There would be final plenary sessions to approve the final report to the Economic and Social Council and to sign the General Agreement on Tariffs and Trade, the terms of which would also have been studied in the course of the Second Session.

(viii) The duration of the Second Session has been unofficially estimated at not less than three months.

/3. A Memorandum

3. A memorandum which was drafted following conversations which took place in London 13 and 14 January, between representatives of the Governments of France, United Kingdom and United States of America, is enclosed. This memorandum was forwarded to the Secretariat on 18 February by the French Delegate to the Drafting Committee.

III

1. Quite apart from the Charter discussions, in respect of which its role is already well defined, it is proposed that the Secretariat will deal with the following matters, among others, connected with the tariff negotiations at the Second Session:

(a) Service the Tariff Steering Committee mentioned in Section F, paragraph 2, of the Memorandum on Multilateral Trade Agreement Negotiations and any Committee that may be set up to deal with the text of the General Agreement on Tariffs and Trade or any other Committee established in connection with the tariff negotiations.

(b) Provide expert assistance to Delegations in exceptional cases when this is required in order to facilitate the negotiations. Governments anticipating that such assistance may be required, are asked to advise the Secretariat as early as possible, since otherwise, the staff cannot be made available.

(c) Carry out general liaison among various negotiating groups and provide a central point for confidential information on the progress of the negotiations to be made available to Delegations.

(d) Provide statistical assistance to Delegations, which will facilitate the speedy progress of the negotiations.

(e) Establish a stringent and thorough security service.

(f) Establish an Order of the Day Office and render various purely administrative services in connection with the negotiations.

2. Particulars of a purely administrative nature were dealt with in a letter

/of 23 January

of 23 January addressed to Delegates to the Drafting Committee, who were requested to advise their Governments accordingly.

3. A memorandum on certain services connected with the bilateral tariff negotiations is enclosed.

/ENCLOSURE NO. 1

ENCLOSURE NO. 1

Officials of the United States, France and the United Kingdom had an opportunity in London on 13 and 14 January of considering the procedure for conducting multilateral tariff negotiations at Geneva next April.

It was generally agreed that great importance should be attached to the passage in Section F of the so-called Procedural Memorandum (Annexure 10 to the Report of the First Session of the Preparatory Committee of the United Nations Conference on Trade and Employment) as follows:

> "Second Stage. At the opening of the Second Session of the Preparatory Committee each member should submit a schedule of the proposed concessions which it would be prepared to grant to all other members in the light of the concessions it would have requested from each of them."

The officials present did not see any other way in which the negotiations could quickly be got under way and they recommend that steps should be taken by the Secretariat of the Preparatory Committee to call the special attention of Governments concerned to this passage in the Memorandum.

It would greatly simplify and shorten the negotiations if each country should submit initially its best possible schedule of tariff offers. In doing so, it should have no fear of prejudicing its position since the initial offers would be entirely conditional upon securing what each regards as adequate benefits from other countries, and the schedule could be withdrawn in whole or in part if such benefits should not be forthcoming.

The officials present contemplated that the recommendation in the above quoted paragraph would necessarily lead to the following practical steps:

(a) At the opening meeting each Delegation would present the schedule of the concessions which it would be prepared to grant, subject to receiving satisfactory concessions in return.

/(b) Each

(b) Each Delegation would thereafter make a study of the concessions which it might expect to receive as set out in the list from each of the other Delegations.

(c) As soon as any two Delegations had studied each other's lists and had classified the offers as (i) satisfactory or (ii) needing further discussion, negotiations could be opened between the two Delegations concerned on the initiative of either of them.

(d) Other bilateral talks on the same basis would ensue as the studies of other lists of concessions were completed.

It would be necessary for all Delegations regularly to exchange information as to the alterations in their proposed lists of concessions arising from the conduct of their several bilateral negotiations. Each country would thereby be enabled to follow closely developments concerning particular tariff items in which it was interested. Perhaps the most satisfactory way of ensuring this would be to arrange for the central exchange of information through the Secretariat.

In this way the multilateral character of the negotiations would be preserved while at the same time the process of bargaining between two individual countries would proceed as rapidly as possible. Where more than one country was interested in a particular item, special meetings could be arranged between groups of the countries interested.

Officials particularly noted that in following the above procedure it would be necessary to prevent unauthorized disclosure of concessions conditionally contemplated, since great embarrassment would be caused to Delegations if a proposed concession became known by itself without any knowledge, on the part of those who learned of it, that it was conditional upon satisfactory concessions being obtained in return. It would, therefore, be necessary for particular attention to be paid to the security arrangements and to the safe custody of any document containing proposed lists of concessions.

The meeting understood that it was the intention of the United States Government to provide a considerable number of "negotiating groups". They understood that other countries would in very many cases be unable to do so.

/They

They considered that the presence of a number of groups in the United States Delegation would be of considerable help to those who were not able to provide so many since it would make it possible for a number of simultaneous negotiations to take place at an early stage between the United States and the other countries concerned, thus enabling a large amount of the ground to be covered simultaneously at an early stage in the process of negotiations.

/ENCLOSURE

ENCLOSURE NO. 2

SERVICING OF BILATERAL TARIFF NEGOTIATIONS

Governments should note that it will not be possible for the Secretariat to provide either documents or languages services for that part of the tariff work which will concern exclusively the bilateral negotiations between Delegations. Naturally, this rule will not apply to the Tariff Steering Committee or to any other committee established to deal with the tariff side of the work.

Delegations will, therefore, have to bring their own interpreters, translators and typists. It should be kept in mind that the working languages will be French and English.

The documents service at Geneva will probably be able to produce documents provided that the Delegations have their own stencils cut.