

Executive Committee

Second Session

SUMMARY RECORD OF THE THIRD MEETING

Held at the Palais des Nations, Geneva,
on 26 August, 1948, at 3 p.m.

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

SPANISH TEXT OF THE CHARTER

The CHAIRMAN suggested that if the Executive Committee approved the procedure for expediting the preparation of the Spanish text, a panel of experts could be set up. The three Spanish speaking delegations would be requested to supply two experts, the English and French speaking delegations would supply others. In this way a revised text could be prepared and circulated and, after a lapse of time for further comment by governments, deposited with the Secretary General as the authentic Spanish text.

Mr. BRIGARD (Colombia) wished to defer discussion on this question until the arrival of the delegate of Mexico.

Mr. SHACKLE (United Kingdom) and Mr. PHILIP (France) replied that their delegations would each be able to supply an expert.

Mr. STINEBOWER (United States) said that his Government would be able to send an expert at short notice.

In reply to the CHAIRMAN, Mr. FRESQUET (observer for Cuba) said that he would consult with other members of his delegation on the possibility of providing an expert to work on the Drafting Committee.

It was agreed that this question should be considered again at an early date during the present session.

(Prov. Agenda Item 3.) REPORT ON THE WORK OF THE
SECRETARIAT (continued discussion)

The CHAIRMAN read paragraph (b) of Section II of the Report (ICITO/EC.2/5) and invited the members of the Executive Committee to make suggestions either in writing or verbally to the Executive Secretary.

Mr. POLITIS (Greece) requested that discussion on the collection of Havana Reports for publication be postponed because by a clerical error, document ICITO/W1 had failed to reach him until this very day.

Mr. SMITH (Australia) agreed with the representative of Greece that the machinery for document distribution was not always reliable.

Mr. AUGENTHALER (Czechoslovakia) thought that in view of the enormous quantity of documents distributed by the United Nations each day, ICITO documents should be clearly identified and carry some indication of urgency.

Mr. SHACKLE (United Kingdom) commended for consideration by other members the arrangements made by his Government whereby a named individual in London received all documents pertaining to the Interim Commission.

The Committee took note of paragraph (c) of Section II of the Report, and postponed discussion in the question until Item 4 on the Agenda was taken up.

The Committee took note of paragraph (d) on the large format text of the Havana Charter.

Taking note of Section III of the Report, the Committee agreed that no claim should be made on the Contracting Parties for payment for services rendered by the Secretariat of the Commission up to the date of the opening of the Second Session.

The question of future work of the Interim Commission was left for consideration later in connection with Item 12 of the Agenda.

Mr. STINEBOWER (United States) expressed doubt as to the necessity for a Third Session of the Interim Commission before the first Conference convened. An attempt should be made at the present Session to dispose as many items of the agenda as possible rather than refer them to a future session.

Mr. SMITH (Australia) agreed with the delegate of the United States and thought that Item 12 could be promoted so that it would be ascertained at an early stage whether further work could be done at this Session.

The Committee took note of the Report on the Work of the Secretariat.

(Prov. Agenda Item 6.) RELATIONS WITH THE INTERNATIONAL COURT OF JUSTICE.

The CHAIRMAN announced that the Registrar of the International Court of Justice would be arriving at Geneva on the 31st of August for consultation.

Mr. AUGENTHALER (Czechoslovakia) thought that the Interim Commission was not in a position to approach the Court for advisory opinions since the General Assembly of the United Nations had so far only authorised the Economic and Social Council and the Trusteeship Council to request advisory opinions of the Court on legal questions in accordance with the provisions of Article 96 of the Charter of the United Nations.

Mr. PHILIP (France) replied that it was not an advisory opinion that the Interim Commission was going to ask; it had been merely contemplated to contact officials

of the Court to find out whether the position taken at Havana in regard to the provisions of Chapter VIII was an appropriate one.

Mr. COUILLARD (Canada) pointed out that it had been made explicit in the letter from the Registrar of the Court to the Executive Secretary that he had been authorised by the Court merely to furnish the Interim Commission with information that they might require regarding the statute, jurisdiction and the procedure of the Court without in any way binding the Court. Therefore it was obvious that no question of advisory opinion on legal matters was involved.

Mr. STINEBOWER (United States) proposed that a sub-committee should be set up forthwith which should report back to the Executive Committee during the present Session. The terms of reference would be in accordance with the suggestions made by the Executive Secretary.

The CHAIRMAN suggested that the Working Party should meet at least one day in advance before the arrival of the Registrar.

Mr. HEWITT (Australia) stated that there had been two proposals which had not been satisfactorily disposed of at Havana and which called for further elaboration. As for the procedure laid down in paragraph 3 of Article 96 of the Havana Charter, some delegations had proposed a modification. It would be necessary to consult officials of the Court in order to ascertain whether the original provisions were correct or modifications were called for. As regards the provisions of Annex N, the Australian Delegation, although not in a position to take initiative, would like to hear the nature and scope of any amendments

that the other delegations were contemplating putting forward. Indications should be given by the Executive Committee to serve as guidance for the Working Party when it was set up.

Mr. PHILIP (France) recollected that at the end of the Havana Conference the French Delegation had been as dissatisfied with the provisions of Chapter VIII as the Australian Delegation was satisfied with them. The arguments that had been presented at Havana were familiar and it would be purposeless to repeat them now before consultation with the Registrar of the Court.

Mr. HEWITT (Australia) said that he understood from what had been said by the French Delegate that there would be amendments put forward by the French Delegation but they were not ready to disclose them. In his opinion, the substance of such amendments must be first considered by the Executive Committee in the light of whatever information the Registrar might be able to supply and it would be inadvisable to let the Working Party go ahead with proposals without first hearing the opinion of the Committee.

Mr. PHILIP (France) thought the suggestion made by the Australian Delegate would bring about a repetition of the debates that had lasted for three weeks at Havana. It would be better to leave it to the discretion of the Working Party to consider such proposals in the course of consultation with the Registrar.

Mr. SUETENS (Benelux) said that an answer to the question raised by the Australian delegate would be found in Annex N itself which stipulated that amendments to the provisions of Chapter VIII would only be formulated if consultation with the Court indicated that amendment was necessary. Therefore it was obvious that consultation should take place before the formulation of proposals relating to amendments.

Mr. HEWITT (Australia) in reply to Mr. Philip stated that the Havana text would be taken as a starting point. The position taken by the French Delegation might be altered in the course of discussion with officials of the Court, although they had not been convinced by the Australian Delegation at Havana.

With the consent of the meeting, the CHAIRMAN appointed Australia, Benelux, Colombia, Egypt, France, Italy, Mexico, the United Kingdom and the United States as members of the Sub-Committee on Consultation with the International Court of Justice. Mr. ANDRE PHILIP (France) was nominated Chairman of the Sub-Committee. The Sub-Committee was instructed to arrange for the procedure of consultation in advance of the arrival of the Registrar. The terms of reference of the Sub-Committee would be as suggested by the Executive Secretary in document ICITO/EC.2/3.

Mr. STINEBOWER (United States) said that the legal adviser of his Delegation might not be able to arrive on time for the consultation and the CHAIRMAN suggested that the consultation with the Registrar might be postponed for one day if necessary.

(Prov. Agenda Item 7) INTERIM REPORT ON ECONOMIC DEVELOPMENT AND RECONSTRUCTION.

The EXECUTIVE SECRETARY introduced the document by saying that it had been his intention to make the report as comprehensive as possible to cover every aspect of the problem of economic development and reconstruction. It had not been intended to limit the scope of the activities of the ITO in this field but in view of the fact that many other organizations would be engaged in the same kind of effort, the task of the International Trade Organization would be to encourage and supplement such efforts rather than to compete with other organizations. The ITO would concentrate on those things which could be done with its resources, and which were not at the time the ITO started work being done by other organizations. The ITO's contribution should be an addition and not a substitution for work being done by other organizations.

Mr. SHACKLE (United Kingdom) welcomed the paper and thought that the specific suggestions were particularly valuable. In his opinion the ITO should concentrate on practical matters. He proposed that the report should be referred to a sub-committee.

Mr. AUGENTHALER (Czechoslovakia) appreciated the quality of the report but thought that the extremely important question of economic development was being discussed in the Economic and Social Council and would be given much attention during the next session of the General Assembly. It was, therefore, inadvisable for the Executive Committee to go too far ahead before the findings of the Council and the General Assembly became available.

Mr. PHILIP (France) agreed with the delegate of the United Kingdom that detailed examination of the report should be entrusted to a working party.

Mr. de VRIES (Benelux) thought that the report, excellent as it was in general, would have been better had the emphasis been placed equally on economic development and on economic reconstruction. He suggested that more attention should be given to the question of equilibrium between agricultural and industrialized economies. The relationship between the prices of primary commodities and those of manufactured goods should be fully studied. The positive functions of the ITO were described in the report as those contained in paragraph 2 of Article 10 of the Havana Charter, but in his opinion when the ITO comes into existence its positive functions should be those prescribed in Articles 13, 14 and 15 of the Charter.

Mr. HEWITT (Australia) expressed his satisfaction

with the quality of the documentation. He thought that paragraphs 1 and 2 of Article 10 contained the substance of Chapter III and should therefore be regarded as prescribing the positive functions for organization, whereas those functions named in Articles 13, 14 and 15 could not properly be regarded as positive functions. The report should not only have enumerated the functions of other organizations in the fields of economic development, but should also furnish an account of the actual activities of other organizations and the extent to which their various projects and the plans were carried out. He agreed that the report should be referred to a sub-committee.

Mr. RODRIGUES (Brazil) would defer comment on the report until arrival of the expert on economic development of his delegation.

Mr. POLITIS (Greece) appreciated the complete work that had been done by the Executive Secretary and suggested that the proposed sub-committee should be asked to make proposals to the Executive Committee and to set forth definite plans for the implementation of the proposals.

Mr. RIFAI (Egypt) agreed with the other delegates regarding the quality of the report. He said that for the sake of economic peace, economic development and reconstruction should be given equal attention under an over-all co-ordinated general scheme. Sectional decisions, which were often incompatible with each other, should be avoided as far as possible. He supported the proposal for the setting up of a sub-committee.

Mr. WUNSZ KING (China) said that the full and exhaustive discussion at Havana had been crystallized in

the relevant articles in the Charter. The Committee, in his view, should refrain as much as possible from discussing the general principles of economic development and reconstruction so as not to revive the issues which had been settled with great difficulty. As regards the suggestions made by the Executive Secretary given on page 13 of the report, he felt that there was still room for improvement. He would reserve the right to make further comments when the working party had been established.

Mr. ADARKAR (India) said that his delegation would need more time to go through this comprehensive report. He thought that it would be better if the Executive Committee would not take any decision in regard to the functions of the ITO in the field of economic development and reconstruction since many other organizations are studying the problem. It was premature to enumerate the functions of the ITO when it was not yet known how extensive the projects of other organizations would be. In future studies, suggestions should be made as regards the way in which the positive functions could be carried out. Economic development in many countries was hampered by the lack of capital and equipment and it would be inadequate only to promote technical assistance. The study or arrangement for the study of the provision of facilities envisaged in paragraph (e) on page 11 of the report showed that the problem was recognized, but more positive suggestions from an administrative or structural point of view were still wanting.

Mr. STINEBOWER (United States) agreed with the delegate of Czechoslovakia that since the Economic and Social Council was still in session and since the ITO

would be only one of the member bodies within the orbit of the United Nations, it would be inappropriate to go ahead with detailed propositions in the field of economic development irrespective of the general program that was in the process of formation by the United Nations. Besides, the initial membership of the ITO and the size of its budget would both have a bearing upon the ability of the Organization and should be taken into account as limiting factors in the formation of positive propositions.

Mr. PHILIP (France) thought that the ITO should take an active part and should show initiative in the field of economic development. The work of the ITO would serve to fill the gap after the regional organs of the United Nations and other regional organizations had fulfilled their duties. Whereas the United Nations undertakes to co-ordinate the work of its subordinate bodies, the ITO should regard as its duty the co-ordination of the diverse regional plan for economic development and reconstruction. The Secretariat of the ITO should be supplied with all kinds of documents and statistics. Research work and documentation should, therefore, constitute the first phase of the work of the Interim Commission.

The CHAIRMAN said that there had been a general feeling in the Committee that a sub-committee should be set up to give detailed consideration to the question but he regretted that there had been no further comments on the report to furnish guidance for the sub-committee. There had been two trends of thought expressed in the Committee. Some of the delegates thought that the Interim Commission should not go too far in the formation of plans or projects, whereas others thought that useful spade work could be done at this stage

in preparation for the future task of the ITO, taking into account the activities of other organizations. The CHAIRMAN nominated the representatives of Australia, Brazil, China, Egypt, France, India, Mexico, Philippines, United Kingdom and the United States as members of Sub-Committee 2 on Economic Development and Reconstruction and suggested the following terms of reference:

"On the basis of the Interim Report submitted by the Secretariat and the views expressed in the Executive Committee, to make recommendations as a basis for the eventual report of the Executive Committee in accordance with the Resolution relating to Economic Development and Reconstruction adopted at the United Nations Conference on Trade and Employment at Havana."

Mr. PEDROSA (Philippines) expressed his disappointment with the substance of the Interim Report, believing that the resolution passed at Havana had called for something more tangible. The Philippine Republic had suffered greatly during the recent war and the people of the Philippines had looked to the Havana Charter and the resolution with great expectation. The resolution had mentioned the question of the structural and administrative methods that would enable the ITO most effectively to carry out its positive functions for promotion of the economic development of its members and it was this question of structural and administrative methods which he would like to see receive the greater part of the attention of the sub-committee.

The terms of reference were approved by the Executive Committee.

The meeting rose at 6.10 p.m.