

UNRESTRICTED

INTERIM COMMISSION
FOR THE INTERNATIONAL
TRADE ORGANIZATION

COMMISSION INTERIMAIRE DE
L'ORGANISATION INTERNATIONALE
DU COMMERCE

ICITO/EC.2/SR.6
30 August, 1948.

ORIGINAL: ENGLISH

Executive Committee

Second Session

SUMMARY RECORD OF THE SIXTH MEETING

Held at the Palais des Nations, Geneva,
on 30 August, 1948, at 10 a.m.

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

The CHAIRMAN stated that Mr. PHILIP (France) who had been appointed Chairman of the Sub-Committee on the Relationship with the International Court of Justice, would be absent for a few days. Pending his return, he proposed that Mr. COUILLARD (Canada) preside. The Committee accepted the proposal.

Item 4. RELATIONS OF THE ITO WITH THE INTERNATIONAL
TARIFF BUREAU (ICITO/EC.2/2/Add.4)

The CHAIRMAN said the discussion should center on which of the three methods suggested by paragraph 3 of Article 87 of the Havana Charter would be appropriate in determining the relationship of the International Customs Tariff Bureau to the ITO. He read a letter received from the International Chamber of Commerce, which expressed the high appreciation of business people throughout the world for the work of this body. The International Chamber of Commerce would welcome any arrangement which would tend to develop the services at present provided by the Bureau.

The Executive Secretary wished to apologize for the somewhat superficial nature of the document, the drafting of which had suffered from the staff difficulties of the

Secretariat. The Convention which set up the Bureau was signed in 1890. One of the signatories of the Convention was Spain which might perhaps give rise to some difficulties of a kind to which the Delegate of Czechoslovakia had already referred. If it were decided to adopt his recommendation for action under Article 87, paragraph 3(a) and (d), it would be necessary to examine closely the Convention in order to see how it could be terminated, to facilitate the absorption of the Bureau by the ITO.

He had only now been able to see the Convention and there did not appear to be any simple method of termination other than a unanimous decision by the signatories of the Convention.

Mr. SUTTENS (Benelux) said the question was a very delicate and complicated one. The Bureau was an inter-governmental organization but a special character was given to it by the fact that it worked under the administrative direction of the Belgian Ministry of Foreign Affairs. He knew that all countries were satisfied with the functioning of this agency and he was very pleased with the words of appreciation which had been used by the Executive Secretary and by the International Chamber of Commerce. The Bureau found itself at present in a very difficult position; its revenue was insufficient to cope with documents whose volume was ever increasing. The Bureau had to concentrate on an essential minimum but there was a demand from the business world for more extensive publications. Another difficulty was that of finding suitable translators because long preparation was needed for this highly specialized job. He thought the

Executive Committee had a double problem before it: one of these was the future status of the Bureau, and the other the immediate aid which ICITO could give to the Bureau.

With regard to its status, he wished to point out that termination of the Organization was provided for in Article 15 of the Convention which said that the Convention itself would be tacitly renewed every seven years if not discussed twelve months prior to the expiration of any seven year period. The present seven year period ended on March 31st, 1954. Any member could withdraw but this action would only affect the individual member. The provision that modifications to the Convention could only be made by agreement of the members, could only mean that unanimity was required. It should be borne in mind that the member Governments were not the same as those of the ICITO or of the United Nations. There were definite obstacles to absorption and the Belgian Government felt also that there were good reasons for maintaining the independence of the Bureau: a) the work was of a highly technical character, requiring great elasticity, and would probably suffer from the rigidity of a large body such as the ITO. Its work was of a semi-commercial character, particularly in its relationships with printers and transport agencies. A large degree of autonomy was therefore necessary for it; b) the institution was a very old one which had developed its own specialized staff; it was very well known; it had a reputation of efficiency and had become very homogeneous. He therefore submitted that paragraph 3(c) of Article 87 of the Havana Charter which provided for supervision of the Bureau by the ITO would be the most appropriate solution.

He would take this opportunity to suggest that the ICITO make the following recommendations to be sent to the Belgian Government for circulation among the members of the Bureau:

1. To ask each Government to pay its quota to the Bureau, there being many in arrears;
2. To ask each Government to accept an increase in its quota. The quotas had not been increased since 1890, and although they were on a gold basis, they were no longer sufficient;
3. To increase the number of languages into which translations have to be made;
4. To reduce the number of copies of the International Tariff Bulletin;
5. To ask for more active collaboration from member governments in sending in their modifications more promptly.

He supported the proposal that the whole question be sent to a sub-committee.

Dr. SZE (United Nations) thought it would be appropriate at this stage to mention a relevant decision of the Economic and Social Council. A resolution had recently been passed by the Council establishing the procedure for the termination, integration or simplification of some seventy inter-governmental organizations including the International Customs Tariff Bureau. The Economic and Social Council when it met in July 1949 would examine a consolidated report based on the replies received from Governments and Specialized Agencies on this problem. While insisting that he did not wish to influence the decisions of the Executive Committee, he thought it appropriate to say that differences of membership between the

two bodies did not present insuperable difficulties. Such difficulties had been overcome before, and he quoted the case of the World Health Organization which had absorbed the "Office International d'Hygiène Publique".

Mr. SHACKLE (United Kingdom) agreed with Mr. Suetens as to the complexity of the problem. He realized the difficulties caused by the membership of Spain and he agreed to refer the matter to a sub-committee. He wished, however, to point out that whatever decisions were taken, the universality of the International Customs Tariff Bureau was of paramount importance, and that anything which stood in the way of the universality of this purely non-political body was to be avoided.

Dr. AUGENTHALER (Czechoslovakia) said that the very interesting statement by the representative of the United Nations simplified the Committee's task. There was no need for the latter to take action until it was known what decisions were taken by the Economic and Social Council following its consideration of the Report for which it had called.

Mr. SUTENS (Benelux) did not agree to the dropping of the question before it came up next year before the Economic and Social Council. Without prejudice to the future status of the Bureau, the second problem of aid to the Bureau demanded early action in order that it could continue to carry on its work.

Mr. WUNSZ KING (China) agreed with the representative of Benelux concerning the difficulties arising out of membership difficulties. The representative of the United Nations had said that membership difficulties had been overcome before but he thought each case should be

examined on its merits, and considered that it would be difficult to obtain the agreement of all signatories of the 1890 Convention. He had some misgivings, however, concerning the five recommendations suggested by Mr. Suetens and did not know whether the ICITO was in a position to make recommendations and if so, to whom. As regarded the proposal of decreasing the number of languages, he felt he should suggest the Chinese should be added. He proposed that the Executive Secretary should go into the matter further without prejudice to the decisions to which the Economic and Social Council might arrive.

Mr. TONKIN (Australia) agreed that any action by the ICITO or the ITO would have to be taken in conjunction with the decisions of the Economic and Social Council but he did not think this fact should preclude discussion of an alternative solution. The five points submitted by the Delegate of Benelux in any case required immediate attention.

Mr. STINEBOWER (United States) thought the arguments in favour of 3(a) and 3(b) of Article 87 of the Havana Charter had been adequately put forward by the Executive Secretary and the arguments in favour of 3(c) by the delegate of Benelux. He was not quite sure about the competence of the Executive Committee to discuss matters which were purely internal to the International Customs Tariffs Bureau. He did not think the Executive Committee could go beyond emphasizing the importance of the work done by this organization and expressing the hope that this work should not be interrupted for financial reasons. On the other hand he saw no reason why the consideration of the future relationship of the Bureau to the ITO should be delayed until the Economic and Social Council had examined the problem. As

far as he saw there was nothing in the resolution which counselled postponement of the discussion. If the Bureau were to be absorbed or integrated it would certainly be by the ITO. He therefore suggested that the question be sent to a sub-committee to make definite recommendations as to the status of the Bureau.

The CHAIRMAN thought the Executive Committee should discuss the question further in order to give more guidance to the sub-committee.

Mr. PEDROSA (Philippine Republic) thought that with few exceptions the membership of the two organizations coincided and that it would be in the interests of the International Customs Tariffs Bureau if it were absorbed by the ITO. It would also be much simpler for governments to have to make only one contribution to one organization instead of different contributions to different organizations. He suggested that the Bureau be absorbed by the ITO.

Mr. POLITIS (Greece) agreed with the delegate of the United States that a sub-committee should make practical recommendations without awaiting the decision of the Economic and Social Council. Regarding the second point he said it was true the Executive Committee could not take decisions on internal matters of the Bureau, but it could nevertheless examine the position and make recommendations to the Bureau which in turn could address itself to its members.

Mr. COUILLARD (Canada) said that the point of view of his delegation was not yet quite clear, but that if the Executive Committee decided to take action in favour of absorption or integration, he saw no reason why it should not also be entitled to discuss questions such as those

suggested by the Delegate of Benelux and make appropriate recommendations.

Mr. SHACKLE (United Kingdom) said it might not be possible to reach the best practical solution for which time would probably be needed, but the Committee should study further 1) the functions of the Bureau, and 2) its eventual relationship with the ITO. He suggested that members of the ICITO who were also members of the Bureau should do their utmost to solve the problem from within the Bureau. With regard to relationship with the ITO the sub-committee should study the various possibilities, such as a working arrangement, a formal relationship, or absorption.

Dr. AUGENTHALER (Czechoslovakia) said that the Executive Committee could continue the study of the relationship but without prejudice to the decisions of the Economic and Social Council. He was doubtful whether he could recommend an increase of quotas without having full knowledge of the financial position, charges, etc. of the Bureau.

Mr. SUETENS (Benelux) informed Dr. Augenthaler that there was an annual report published by the Bureau, four copies of which were sent to each country.

The CHAIRMAN said that the discussion had given a good introduction to the sub-committee for its examination of the various issues. The information supplied by Dr. Sze (United Nations) had tended to make some members wish to wait until the matter had come before the Economic and Social Council. It was clear that the Economic and Social Council wished to simplify these organizations and there was no doubt that if there were to be any absorption, integration or formal relationship, this could only be with

the ITO. He proposed that this question be referred to the Sub-Committee on Administration as had been done for other inter-governmental organizations. This committee might appoint a small working group if it thought fit. The Director of the Bureau was at present in Geneva and he should be invited to attend the discussions. He would give no special terms of reference because this question could come under those already adopted for the sub-committee.

The Executive Committee accepted the proposal to refer the question to the Sub-Committee on Administration.

The CHAIRMAN then announced the composition of Sub-Committee No. 3 on Administration as follows: the representatives of Australia, Benelux, Brazil, Canada, Czechoslovakia, France, Greece, United Kingdom, United States. Chairman: Mr. TONKIN (Australia).

Item 3. PREPARATION OF THE AUTHENTIC SPANISH TEXT OF THE CHARTER (ICITO/EC.2/12).

The CHAIRMAN said he would like to refer to the question of the panel of experts to revise the Spanish draft of the Havana Charter. Up to now only France, the United Kingdom and the United States had expressed willingness to furnish experts in the Spanish language. Mr. CLARK (Cuba) had also since the last meeting informed the Chairman that the Cuban Delegation would be prepared to appoint an expert to the Panel. There were therefore four experts available of which one was from a Spanish-speaking country. He wished to ask the other Spanish-speaking delegations of the Executive Committee - Columbia, Mexico and El Salvador - if they could not supply another expert so that the Panel

could count on at least two experts from Spanish-speaking countries.

Mr. de BRIGARD SILVA (Columbia) said that his government was trying to find a suitable expert and he expected to be able to give definite information in the next few days.

Dr. AMPUDIA (Mexico) said he was also waiting for information from his government and that he hoped to be able to give an early reply.

Mr. SHACKLE (United Kingdom) proposed that those experts already in Geneva start immediately on the work in order to save time.

The Executive Committee agreed that the Panel, staffed with such experts as were available in Geneva, should start the work of revision.

The CHAIRMAN said that the Executive Secretary would as soon as possible make the technical arrangements necessary for the Panel to begin its work.

The meeting rose at 1 p.m.