

INTERIM COMMISSION  
FOR THE INTERNATIONAL  
TRADE ORGANIZATION

COMMISSION INTERIMAIRE DE  
L'ORGANISATION INTERNATIONALE  
DU COMMERCE

UNRESTRICTED  
ICITO/EC.2/SR 7  
31 August 1948  
ORIGINAL: ENGLISH

---

Executive Committee

Second Session

SUMMARY RECORD OF THE SEVENTH MEETING

Held at the Palais des Nations, Geneva,  
on 31 August 1948, at 10 a.m.

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

Relations of the International Trade Organization with other  
Intergovernmental Organizations. (ICITO/EC.2/2/Add 5)

(Item 4 (f) of the Provisional Agenda).

The CHAIRMAN opened the discussion by calling the attention of the Executive Committee to Document E/876 of the Economic and Social Council, wherein the Director General of the World Health Organization had stated that he had been instructed by the Assembly of that Organization to explore the question of relations between the World Health Organization and the ITO with the Executive Secretary of the Interim Commission of the ITO and to report to the Executive Board of the W.H.O.

International Bank for Reconstruction and Development.

The CHAIRMAN, summarizing the statement of the Executive Secretary contained in ICITO/EC.2/Add 5, said that no recommendation was made for the time being for a formal agreement with the Bank, but that if a subsequent experience would show the necessity of one, this could be negotiated in the light of the experience gained.

M. PETER (France) said that relationships with the International Bank for Reconstruction and Development were of the highest importance to the ITO in view of the concern of both Organizations with questions of economic development. He agreed entirely with the Executive Secretary that the closest contacts should be maintained without at this stage setting down any fixed regulations of relationships. He thought it would be most useful for representatives of the Bank to participate in the discussions of the Sub-Committee on Economic Development.

The CHAIRMAN said that in preparing the report on Economic Development, the Executive Secretary had consulted more with the I.B.R.D. than with any other organization. He believed that the Representative of the I.B.R.D. had now left Geneva but if he should return, the Chairman felt it would be advantageous for the Committee on Economic Development to have the benefit of his participation in the discussions.

Mr. STINEBOWER (U.S.A.) expressed his entire agreement with the Executive Secretary's suggestions.

Mr. PEDROSA (Philippines) said he would like to see the possibility of the ITO lending assistance to those of its members which have to apply to the I.B.R.D. for loans in view of the very complicated and voluminous reports which they had to submit to the Bank in support of their case.

Mr. EL RIFAÏ<sup>II</sup> BEY (Egypt) expressed his conviction of the necessity of very close relationships with the I.B.R.D. in view of the necessity of drawing up a formal agreement only after experience had shown that one was needed. It might

be necessary in the future to draw up a code governing international investments and development in which case the collaboration of the two organizations would be fruitful.

Dr. LIEU (China) recalled the discussions of Havana and reminded the Executive Committee that whereas the ITO could obviously not interfere with the loan policy of the I.B.R.D. the Bank had expressed its readiness to take into consideration any technical recommendations it might receive from the ITO.

Mr. VINCENT (United Kingdom) in agreeing with the Executive Secretary's proposal, thought it was wise to allow confidence to grow between the two Secretariats before examining the question of the formal relationship.

The EXECUTIVE SECRETARY said that perhaps his statement in the document before the Committee had erred on the side of brevity. His recommendation was the result of consultations with the officials of the I.B.R.D. who thought that a formal agreement might have the result of limiting the area of consultation. Their intention was to work together on all matters of common interest.

He wished to refer to the very intimate way in which the I.B.R.D. had collaborated in the work of the Preparatory Committee and of the Havana Conference. This collaboration had continued after the establishment of the Interim Commission and had provided extremely useful information for the interim report on economic development.

As regards regular and organized inter-agency coordination on economic development the Executive Committee would recall the suggestion for setting up a Committee on Economic Development within the framework of the Administration Committee on Coordination.

The CHAIRMAN proposed that the Executive Committee agree with the suggestion made by the Executive Secretary that no formal agreement on relationship be entered into for the time being and that the two Organizations continue to work in close collaboration on all questions of common interest until such time as experience might show the necessity of formalising the relationship.

The Executive Committee agreed.

United Nations Educational, Scientific and Cultural Organization.

The Executive Committee accepted the recommendation of the Executive Secretary that contacts be maintained with the UNESCO and that no formal arrangement was necessary.

International Civil Aviation Organization.

The CHAIRMAN invited the Committee to consider the recommendations of the Executive Secretary to the effect that while no formal agreement on relationship between the ITO and the ICAO appeared to be necessary, it might be desirable to record, for instance by an exchange of letters, an understanding on certain matters of common interest. He quoted Articles 33 (Freedom of Transit), 36 (Formalities connected with Importation and Exportation) and 53 (Special procedure with respect to Services). If the Committee agreed to an exchange of letters, the Secretariat could propose a suitable text.

Dr. AUGENTHALER (Czechoslovakia) thought that if no agreement was needed with the Bank, he did not see why there should be an exchange of letters with the ICAO, an Organization which he believed was not even in order with the resolutions of the United Nations.

Mr. VINCENT (United Kingdom) pointed out that whereas the area of consultation with the I.B.R.D. was very vast and not easily defined, the points at which the sphere of activities of the ITO and the ICAO could meet were limited to the matters covered by a few specific articles of the Charter.

Mr. PEDROSA (Philippines) expressed his opinion in favour of some sort of agreement regarding matters in which the policy of countries, for instance restrictions on the transit of goods carried by air, might conflict with the guiding principle of the ITO.

Mr. LAROSA (Italy) shared the point of view of the Delegate of the United Kingdom and of the Philippines.

The Executive Committee agreed, subject to the reservation of Mr. AUGENTHALER (Czechoslovakia), to ask the Executive Secretary to prepare a text for an exchange of notes with the ICAO, such draft to be referred to the Sub-Committee on Administration.

Intergovernmental Maritime Consultative Organization.

Mr. POLITIS (Greece) recalled the long discussion which had taken place in Havana and the divergences of opinion which had resulted in leaving the question of shipping services aside. He thought that when an agreement was arrived at, it should be in broad and general terms.

The CHAIRMAN suggested recording the view of the Committee that no formal relationship be established with the IMCO until their Organization had reached a more advanced stage of its development, when consultations would be more appropriate.

The Executive Committee agreed.

Universal Postal Union.

Mr. PEDROSA (Philippines) suggested that an attempt might be made to reach the highest degree of universality of procedure in question for instance of parcel post.

Mr. POLITIS (Greece) said that in view of the very different character of air, sea and postal transport of goods, there could be no universality of procedure.

The CHAIRMAN proposed the recording of the Executive Committee's views.

The Executive Committee agreed that no formal arrangements seemed to be necessary; any question of common interest could be dealt with as it arose.

United International Office for the Protection of Industrial, Literary and Artistic Property. (Berne Bureau)

After a discussion in which Mr. AUGENTHALER (Czechoslovakia) Mr. KELLOGG (United States) and Mr. TONKIN (Australia) took part, the CHAIRMAN pointed out that the Bureau owed its origin to the Paris Convention of 1883 (for the Protection of Industrial Property) and to the Convention of Berne of 1886 (for the Protection of Literary and Artistic Property). He recalled the remarks made by Mr. Kellogg to the effect that it was with the activity of the Bureau under the Paris Industrial Property Convention that the ITO might have matters of common interest. He suggested that the Committee might wish to instruct the Secretariat to enquire further into the activities of this body.

Mr. COUILLARD (Canada) thought it would be proper to limit the investigations to matters of industrial property but that some information on questions of literary and artistic property e.g. copyright might be useful

Mr. VINCENT (United Kingdom) supported the proposal

because he believed questions of considerable importance might arise and he thought he had heard of a new Convention on Industrial Property recently signed.

The Executive Committee agreed to the Chairman's proposal of further enquiry by the Executive Secretary.

The CHAIRMAN said that the Executive Secretary, in preparing his report to the Committee would take into account the possible relationship of the activities of the Berne Bureau to the Havana Charter. He added that the question now arose of the reply to be made to the Secretary General of the United Nations which was to be sent in before February 1st 1948. In sending this reply, the Executive Secretary would have the recommendations of the Sub-Committee on Administration in so far as the International Customs Traffic Bureau was concerned. But he would require instructions from the Executive Committee with regard to the Berne Bureau. He therefore suggested that the Executive Secretary be given authority by the Executive Committee to forward to the Secretary General also a factual statement relating to the activities of the Berne Bureau in relation to matters dealt with in the Havana Charter. Such a report should contain recommendations, but be limited to factual information.

The Executive Committee agreed to the proposal.  
Communication from the Director General of the World Health Organization (Document E/876).

The CHAIRMAN informed the Committee that after a preliminary examination of the Charter, the Executive Secretary thought that with respect to the function of the World Health Organization, Article 36 of the Havana Charter, dealing with formalities connected with Importation and

Exportation; Article 45, dealing with general exceptions to Chapter IV, and also perhaps paragraph 6 of Article 31, dealing with monopolies established and operated mainly for social, cultural, humanitarian or review purposes; might be pertinent.

The Executive Committee agreed that the Executive Secretary send a communication to the Director General of the World Health Organization indicating the view that the above provisions of the Havana Charter might constitute points of common concern to the two Organizations.

Regional Organizations other than Regional Commissions of the United Nations.

Mr. de BRIGARD SILVA (Colombia) thought the Executive Secretary's note in the document before the Committee was too vague. There was an urgent need to arrive at an agreement to delimit the functions of the different regional organizations and of the ITO. He quoted Article 10 of the Bogota Agreement which was an exact duplication of paragraph 2(a) of Article 10 of the Havana Charter. The question of investigating possibilities of Economic Development was of the utmost importance and something should be done very urgently to avoid duplication of effort and expense by the O.A.S., the ECLA and the ITO.

The EXECUTIVE SECRETARY said that it had appeared to him that the wise thing for the ICITO and the ITO to do was to develop and expand relationships between the Secretariats and to consider these Regional Inter-governmental Organizations in the light of their relations with the Regional Commissions of the Economic and Social Council. The ITO's relationship with Regional Inter-governmental

Organizations would have to be considered in relation to regional activities as a whole particularly those of the regional Economic Commissions of the Council. The matter had been referred to in the Secretariat's Report on Economic Development (Document ICITO/EC.2/7).

Mr. AUGENTHALER (Czechoslovakia) agreed with the Executive Secretary. He thought the Regional Inter-governmental Organizations should try to come to an agreement with the Regional Commissions of the United Nations. The ITO should recognize the hierarchy constituted by the United Nations, the Economic and Social Council, the Regional Commissions. Other regional Inter-governmental Organizations should be advisory bodies.

Mr. de BRIGARD SILVA (Colombia) said he did not see why the ITO should not enter into an agreement with the Pan-American Union without going through the United Nations. The Pan-American Union certainly did not need the tutelage of the United Nations. His aim was to arrive at a delimitation of functions which would avoid duplication of effort.

Mr. KELLOGG (U.S.A.) thought the relationship of the ITO to the OAS should be considered after the latter had come to a working arrangement with the ECLA.

The EXECUTIVE SECRETARY said the question of regional activity was still in the early stages of development. This was true of all the Regional Commissions of the Economic and Social Council except perhaps the ECE. Regional questions had to be taken as a whole. The relationship of ECLA to the OAS had to be studied before it would be possible to determine the relation of this regional

activity to the ITO. ECLA however had only just had its first meeting. For this reason he suggested developing contacts at Secretariat level with the OAS and the ECLA.

Dr. SZE (United Nations) said the question of regional activities was one on which the Economic and Social Council had recently decided to have a report presented to it for its Session in February 1949. The relationship of Regional Commissions and Specialized Agencies was to be examined.

The relationship of the ECLA and the OAS was also under the subject of consultations which were making good progress to the satisfaction of both parties.

Mr. VINCENT (U.K.) thought a debate on regionalism and functionalism should be avoided. There would be time to review the subject once the Executive Committee had seen the report requested by the Economic and Social Council. The Executive Secretary should be given flexible directives for maintaining contacts with the other Secretariats and he should call the attention of the Executive Committee to those problems where consultations might appear desirable.

Mr. WOULBROUN (Benelux) agreed with Mr. Vincent that time would be required to allow these relationships to take a definite form. He wanted to point out that an important Inter-governmental Organization had been overlooked in the Executive Secretary's Report, namely the Study Group for a European Customs Union, a body composed of 18 members whose aims corresponded to those of Article 44 of the Charter. Its purposes were: to arrive at a common Tariff nomenclature, in accordance with the Geneva nomenclature, and it was hoped this work would be finished by the end of 1948; and to

study the repercussions of an European Customs Union on the participating countries. A questionnaire was being circulated to participating countries for reply by September 1948.

Dr. AUGENTHALER suggested that the discussion confine itself to those Inter-governmental Organizations recognized by the United Nations.

Mr. TONKIN (Australia) thought the Executive Secretary's approach to the problem reasonable in view of the fact that some of the Regional Organizations were still in process of establishment. He thought it desirable from the point of view of the Organization that the Executive Secretary continue the relationship with these regional organizations until such time as the report on regional Commissions, to which he had referred some days ago, was presented. It might be possible for some reference to be made in that report to these other regional Organizations. The Executive Committee was seeking a review of these regional Commissions in order to see how they were developing from the special view-point of the ITO.

The report requested by the Economic and Social Council might provide the starting point for a report which he had requested but he expressed doubts whether the report to be made to the Economic and Social Council would fully answer the special interests of the ITO.

Dr. AUGENTHALER asked the representative of the United Nations the reason for the provision of Article 18 of the Draft Agreement between the ITO and the United Nations, that the ITO should inform the Economic and Social Council of the nature and scope of any formal agreement contemplated with other Specialized Agencies and Inter-governmental bodies.

Dr. SZE (United Nations) said the Economic and Social Council had the function of coordinating the activities of the various organizations who fell under its scope. It was further felt that as a consequence of this coordinating function, it could give advice and guidance towards achieving a well-balanced distribution of effort.

The CHAIRMAN thought the discussion had shown general agreement not to enter into formal relationships with the organizations discussed, but that close contacts were desirable. He suggested that the Executive Secretary be instructed to maintain and develop relations between the Secretariat and the Secretariats of regional inter-governmental organizations, and to study, in collaboration with the United Nations and other Secretariats, the question of regional activities in fields related to the Havana Charter, with a view to reporting on this matter to the Executive Committee. These instructions should relate to the organizations mentioned in the document under consideration and to the Study Group on European Customs Union referred to by the Delegate of Benelux.

Unless the situation was much clearer when the First Conference was held, he thought the Organization would be wise to proceed in a similar fashion.

Dr. AUGENTHAUER (Czechoslovakia) wished to express his disagreement with the proposal. He suggested that no relations be maintained with the organizations under discussion.

The Chairman's proposal was put to a vote and was approved by the Executive Committee by 14 votes in favour, 1 against, 1 abstaining. The representatives of two member countries were absent.

The meeting rose at 1 p.m.