

UNRESTRICTED

INTERIM COMMISSION  
FOR THE INTERNATIONAL  
TRADE ORGANIZATION

COMMISSION INTERIMAIRE DE  
L'ORGANISATION INTERNATIONALE  
DU COMMERCE

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Executive Committee

Second Session

SUMMARY RECORD OF THE THIRTEENTH MEETING

Held at the Palais des Nations, Geneva,  
on Tuesday, 14 September 1948, at 10 a.m.

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

REPORT OF SUB-COMMITTEE 3 ON ADMINISTRATION

The Chairman of the Sub-Committee, Mr. TONKIN (Australia), presented the Report. There had been general agreement among members of the Sub-Committee on all the matters under consideration except that relating to the expenses of the Preparatory Committee of the United Nations Conference on Trade and Employment and of the Havana Conference. On this matter members had been equally divided in their opinions on all of the three suggested courses of action.

The other subjects dealt with were the draft Agreements of relationships between the United Nations, the International Monetary Fund, the Food and Agriculture Organization, the International Labour Organization and the International Civil Aviation Organization on the one hand, and the International Trade Organization on the other; the International Customs Tariff Bureau; non-governmental organizations; budget estimates for ICITO, and Draft Financial and Personnel Regulations for I.T.O.

He pointed out that the understanding of the Sub-Committee with regard to Article 7 of the Agreement with the FAO was that under this Article and under Article 1, the FAO should

consult with the ITO and keep the latter currently informed with respect to relationships developed between the FAO and commodity study groups and councils.

A special working party had been set up to deal with the question of the International Customs Tariff Bureau. With regard to the latter, there were three points in the Report to which he wished to draw the attention of the Executive Committee:

- a) A proposal that the Executive Board set up a committee of N.G.O.'s, although unopposed, was left for later consideration by the ITC in the light of experience;
- b) The Director-General should have full discretion to consult N.G.O.'s whenever necessary; such consultative arrangements should not be formalized by the creation of a permanent advisory committee;
- c) A suggestion had been made that it might eventually prove desirable that circulation by the Director-General of documents submitted by N.G.O.'s might be made subject to prior authorization by the Executive Board after consultation with the Executive Board.

The second section of the Report was concerned with the Budget Estimates for the Interim Commission from October 1, 1948 to December 31, 1949. It was recommended that the Secretariat make efforts to secure reductions in charges for common services furnished by the United Nations.

Finance and other regulations were dealt with in Section 3 of the Report.

I. DRAFT AGREEMENT BETWEEN THE UNITED NATIONS AND THE ITO

Mr. el RIFAI BEY (Egypt) proposed the deletion of the second part of paragraph 3 of Article XVI of the Draft Agreement which he felt would commit the ITO too far towards the acceptance of the principle of a consolidated budget with the United Nations.

Mr. STINEBOWER (U.S.) felt that nothing was prejudiced by the present wording of Article XVI.

Mr. TONKIN (Australia) expressed his agreement with the view of Mr. Stinebower that the Article represented no commitment on the part of the ITO and mentioned that a similar clause could be found in the agreements of other organizations.

Mr. el RIFAI BEY (Egypt) said he would not insist in his proposal but reserved his position.

The Draft Agreement was approved.

DRAFT AGREEMENT BETWEEN THE FAO AND THE ITO

Mr TONKIN (Australia) called the attention of the Executive Committee to the recommendation of the Sub-Committee, that if the new draft of Article III of the Agreement were accepted, it should be pointed out in the report of the Interim Commission to the Conference that a substantive ruling under Article 67 of the Charter would be involved.

The Executive Committee agreed that this recommendation should be made to the Conference.

Mr. SMITH (Australia) proposed and the Executive Committee accepted the substitution of the word "inter-governmental" for the word "international" in paragraph 3 of Article III of the Draft Agreement.

The Draft Agreement submitted by the Sub-Committee was approved.

DRAFT AGREEMENT BETWEEN THE ILO AND THE ITO

As in the case of the FAO the Executive Committee agreed to recommend that it be pointed out to the Conference of the ITO that a substantive ruling would be involved in the approval of Article III of the Agreement.

The Agreement was approved.

V. THE RELATIONS BETWEEN ICAO AND ITO

The Executive Committee agreed to the recommendations of the Sub-Committee for an exchange of letters with the ICAO as suggested in Document ICITO/EC.2/SC.3/2.

VI. RELATIONS BETWEEN THE INTERNATIONAL CUSTOMS TARIFF BUREAU AND THE ITO

Mr. STINEBOWER (U.S.) was asked, as Chairman of the Working Party set up by the Sub-Committee, to comment on the recommendations made. He referred to the very helpful discussions with the Director of the Bureau, and expressed his admiration for the amount of work done by the Bureau with such limited means.

The first recommendation was that the Executive Secretary be instructed to consult the Bureau and work out details for bringing the Bureau under the direct supervision of the ITO.

The Executive Secretary should be requested to report to the Executive Committee on the possible means of effecting at a later stage a transfer of the functions and resources of the Bureau to the ITO.

It was further felt that it would be appropriate for the Executive Committee to give moral support to the Bureau in its efforts to overcome its financial difficulties, in particular to collect arrears due to it.

Mr. WOULBROUN (Benelux) thought the Executive Secretary might also be instructed to discuss under Article 39, paragraph (f) the possibility of collaboration with the Bureau in achieving uniformity of nomenclature and standards.

The CHAIRMAN said that could be borne in mind by the Executive Secretary.

Mr. LECUYER (France) mentioned the fact that a conference was at present being held in Brussels for this purpose and that it was necessary to avoid duplication. He agreed to the usefulness of the work.

The CHAIRMAN said that all the Executive Secretary could do would be to ascertain with the officials of the Bureau in what manner the Bureau could be of assistance to the ITO in the event that a study of the matter should be undertaken.

The Report and the Draft Resolution were approved by the Executive Committee.

#### VII. RELATIONSHIP WITH NON-GOVERNMENTAL ORGANIZATIONS

Mr. PEDROSA (Philippines), in connection with paragraph 4 (a) of the Sub-Committee's report, said he would like it to be understood the Conference would not be prevented from excluding such organizations from attendance when it so decided.

The CHAIRMAN did not think it would be necessary to insert such a proviso, because it was a generally understood principle that such a right existed as a consequence of the right of the Organization to hold closed meetings. Account would be taken of the point when the Secretariat drafted the rules of procedure for the Conference.

Mr. PEDROSA (Philippines) suggested that not all but only "pertinent" unrestricted documents should be sent to N.G.O's.

The EXECUTIVE SECRETARY said this would be difficult as the selection of the documents would involve a great deal of work by the Director-General and his staff which would more than offset the advantage of sending to each organization only the papers which were of interest to it.

#### BUDGET ESTIMATES OF THE INTERIM COMMISSION

Mr. TONKIN (Australia) recalled the recommendation of the Sub-Committee that the Secretariat make efforts to obtain a reduction of some of the charges in the Budget, particularly those for common services provided by the European Office of the United Nations.

Dr. SZE (United Nations' Representative) said he would welcome conversations on the question of charges for common services. The matter was also of interest to other organizations which availed themselves of such services and the Consultative Committee on Administrative Questions would welcome the attendance of representatives of the Secretariat for discussion of the matter.

He would point out that on this question the United Nations had certain rules which had been set by the Assembly and by the Advisory Committee.

The Executive Committee accepted the recommendation to support the efforts of the Secretariat towards obtaining a reduction of these charges.

The arrangements proposed for the financing of the Secretariat services to the Contracting Parties, and defraying the expenses of the Second Session of the Contracting Parties were approved by the Executive Committee with

the reservation of Mr. POLITIS (Greece) who required the approval of his Government.

The Executive Secretary was instructed by the Executive Committee to make arrangements for the auditing of the accounts of the Interim Commission.

The Budget Estimates contained in Annex B of the Report were approved.

DRAFT FINANCIAL AND STAFF REGULATIONS FOR THE INTERNATIONAL TRADE ORGANIZATION

Mr. VINCENT (U.K.) as Chairman of the Working Party of the Sub-Committee commented on the salient points of the Report. On the question of the creation of an Administrative Tribunal, covered by Regulation 28, (which should have been in square brackets), he recalled that the United Nations were still giving consideration to the matter, but if no such Tribunal were to be set up by the United Nations, then the Working Party thought the Executive Board might be instructed to take such action for the settlement of internal administrative questions.

A discussion followed on Regulations 28 and 29. The maintenance of Regulation 28 was supported by Mr. LECUYER (France), Mr. WOULBROM (Benelux) and Mr. PEDROSA (Philippines). After some further discussion in which Mr. STINEBOWER (U.S.), Mr. VINCENT (U.K.), Mr. WOULBROUN (Benelux) and Mr. PEDROSA (Philippines) took part, the Draft Financial and Staff Regulations were approved.

The meeting rose at 2 p.m.