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SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE
UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT.

VERBATIM REPORT

THIRTEENTH MEETING IN EXECUTIVE SESSION
HELD ON WEDNESDAY, 4 JUNE 1947, at 2.30 P.M.

IN THE
PALAIS DES NATIONS, GENEVA.

H.E. Mr. ERIK COLBAN (Chairman) (Norway)

Delegates wishing to make corrections in their speeches
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CHAIRMAN: The Meeting is open.

You will see from the programme of meetings today that we are starting in Executive Session, and the Secretariat tell us that it is for consideration and approval of Documents 84 and 84A. I do not doubt that we shall approve it, but before we do that I will ask the Chairman of the Tariff Negotiations Working Party kindly to tell us whether he has any further remarks to make on the subject.

The Hon. L.D.WILGRESS (Canada): Mr. Chairman, I would like to make a few brief comments with regard to the Sixth Report of the Tariff Negotiations Working Party, given in Documents 84 and 84A submitted on June 2.

First of all, I would like to draw attention to an error in the multigraphed copy of the Report. The error occurs in Annex 'A' given on Page 2 of Document 84. In the column showing the number of countries with which negotiations have been opened, the figure "13" appears opposite the United States. This should be "15". The United States have opened negotiations with 15 countries.- fifteen not fifty.

Mr. Chairman, the Sixth Progress Report of the Tariff Negotiations Working Party has more than usual significance because it brings the opening negotiations up to May 31, which was the date which we were set for all the negotiations contemplated to begin.

The Members of the Committee will remember that originally we had scheduled 96 negotiations. Later on, 6 other negotiations came in the category of being under contemplation. Of these, 91 held their initial meetings before May 31; two more were postponed from last week and are to be held this week. The remaining nine negotiations contemplated - but for which no dates have yet been fixed - concern negotiations in which one of the parties is the Chilean Delegation.

CHAIRMAN: Are there any further remarks on this report?

Mr. S.L. HOLMES (United Kingdom): Mr. Chairman, at our meeting yesterday we considered Annex 'E' which appears in paper T/84(a) and came to the conclusion that, while there might be some prematurity about the first paragraph which related to negotiations between Czechoslovakia and the Union of South Africa, there was no objection in principle to the proposal that, as bilateral negotiations here were completed, there should be a public announcement of that fact by the Executive Secretary.

I would, with your permission, like to make one very small suggestion: this is that in such an announcement by the Executive Secretary it should be made clear that a particular set of bilateral negotiations has been completed but that this is subject to any adjustments that may be required in the light of other negotiations as they in turn come to completion and that the result of the negotiations in each case would of course be subject to the approval of the Governments concerned. I make this suggestion simply in order that there should be no cause for misunderstanding on the part of Members or the public.

Dr. HOLLOWAY (South Africa): Mr. Chairman, I am in agreement with what the delegate of the United Kingdom has just said about paragraph 2. I wish to raise a point, however, in connection with paragraph 3 of Annex 'E'. This recommendation from the Working Party would prevent two countries which otherwise could put their agreement into force immediately from doing so. I do not know that there is any particular point in that. Our object is to reduce trade barriers and if it should happen that two negotiating countries could put their bilateral agreements into force immediately, I do not think the Conference should prevent that.

CHAIRMAN: With regard to the suggestion of the United Kingdom delegate I think we are all in agreement.

Mr. WINTHROP BROWN (United States): Mr. Chairman, I am in agreement with the suggestion of the United Kingdom delegate except possibly with the last phrase of what he said, namely, that it should be made clear that the agreements tentatively reached were subject to the approval of the Governments concerned. Some countries represented here, my own included, have the power in the Executive Branch of the Government to put an agreement into effect and no question of parliamentary ratification is involved, and I would not think it desirable to have any implication that such approval was required in all cases.

CHAIRMAN: I think that there has been a misunderstanding. I did not understand the United Kingdom delegate to reserve for ratification by parliament, but simply that when on a technical level we have arrived at agreement, many of us, at any rate, I take it, have to submit the results of the negotiations to our government just to see whether they, in the last minute, have to say anything about them, and in order to prevent misunderstanding, I understood the United Kingdom delegate to mean that everything is absolutely final by the publication of the agreement, and that he wanted to make this additional statement.

The delegate for Australia.

DR. H.C. COOMBS (Australia): Mr. Chairman, some of us may be concerned with the opposite problem to that which is apparently worrying the delegate for the United States, that is, in the case of the Australian delegation at any rate, any agreements or completion of negotiations here are subject not merely to the agreement of the government, but also to confirmation by parliament, and it would be unfortunate if any statement were made which implied that that was not so.

If any statement is to be made, therefore, I suggest that very great care should be taken to make it clear that what is being reported as completion of negotiations is subject to different procedures from country to country in the future. But in some cases, whether it is necessary to specify the range of qualifications, I am not prepared to say.

We, for our part, would regret very much any suggestion that this reporting was in any sense final and not subject to review by our government and our parliament. That raises, or is associated with, in my mind a doubt I have as to the wisdom of publication of this at all at this stage.

I think I can/certain advantages for reporting to the public that progress has been made, so to speak, to the extent that certain negotiations are complete, but I think that before we commence a procedure of this sort it would be wise to look ahead to see whether we can, so to speak, sustain the promise which the initial statement gives.

If it were possible to look forward to a steadily increasing number of completed negotiations, which could be reported to the public, thus giving in the number so reported an indication of the progress we are making, I believe that such reporting would have advantages. But there are many countries who regard these negotiations not as a series of separate ones but as an integral whole, and would be reluctant to state that they had completed negotiations with any one country until they were in a position to report that they have completed negotiations with them all. Many of them, at any rate, are closely inter-related, and upon the outcome of one or more set of negotiations may depend, in fact, the completion of negotiations with the other countries concerned.

I think it is quite fair to say that, for the Australian delegation at any rate, we would be unable to report to the Secretariat that we had finished our negotiations with any one of the countries with whom we are negotiating, until we are in the position to report that we have completed our negotiations with them all. Consequently, so far as the eleven or twelve negotiations in which we are concerned, ^{are involved} it will not be possible for us to report progressive increases in the number of completed negotiations.

I am not sure whether other countries are in the same position as we are, but if that is so, we might find that we start off by being able to report first one and then two or three or four

completed negotiations, and then suddenly we will reach a stage where, despite the fact that substantial progress is being made, we are not in a position to report publically any more completed negotiations until we reach the final stage, when we can report them all at once, we hope.

Consequently, I have a feeling that the proposal here may have the opposite effect to what is intended, that is, that it will not, in fact, give an indication of the progress which is being made or not being made.

CHAIRMAN: As this discussion will still take some few minutes, I beg leave to interrupt and announce that a Sub-Committee on Chapter III is to meet this afternoon at 5 o'clock in Room 210.

The Delegate of France.

Mr. BARADUC (France) (Interpretation): I would like simply to say that the French Delegation fully endorses the view so well explained a minute ago by the Delegate for Australia.

If we admit that two countries could, after concluding their bilateral agreement, make the result of this public, I think we would go against the general spirit of the negotiation as explained in London, which attempted to give to this negotiation a multi-lateral character. It seems that it was arranged also that it will always be possible for other countries to consider whether they are given sufficient satisfaction by this bilateral negotiation and I would remind you that in Annexe 10 of the London Document, page 50 of the English text, Fourth Stage, it is said:-

"The progress of the negotiations should be subject to general review by the Committee as a whole periodically during the negotiations and also in the final stage. General review by the Committee as a whole will enable each member to assess the benefits which it is likely to receive from the series of negotiations in the light of its total contributions, and will offset the tendency toward limiting concessions which results from a comparison of benefits exchanged between two countries alone."

Therefore, I think that Mr. Coombs was perfectly right and fully in accordance with this London spirit which I just described, and for those reasons I repeat that we fully associate ourselves with him.

CHAIRMAN: The Chairman of the Working Party?

Mr. WILGRESS (Canada): Mr. Chairman, in tariff negotiations the Working Party was fully aware that the announcement of the fact of the completion of bilateral negotiations might be inconsistent with the multilateral character of these negotiations, and we carefully considered that point before making our Recommendation set forth in Annex 'E'. The reason why we submitted this Recommendation was that it had come to our knowledge that two Delegations had practically completed their negotiations and it had also come to their knowledge that there was an opportunity of other negotiations nearing completion, and it was felt it would be desirable for publicity reasons, in order to show the progress of the negotiations and make an announcement to the outside world that we were making progress, that from time to time the Executive Secretary could let it be known that a certain set of negotiations had reached the stage of completion, that is, completion up to the extent whereby the two parties had reached the stage where they had nothing further to talk about, and were awaiting the outcome of the general multilateral negotiations which were taking place here.

It was our view that a certain amount of benefit could be derived from such announcements, without prejudice to the multilateral character of the negotiations to which reference has been made by the Delegate of France. We were aware that our progress reports are being made public from time to time, and these progress reports do ^{that} show the various negotiations have been commenced on certain dates. These reports are made available to the Press, and we therefore think there would be some relevancy if the Press were also made aware of the fact that from time to time certain negotiations had reached the stage where two Delegations concerned are simply awaiting the final outcome of the multilateral negotiations.

CHAIRMAN: The Delegate of the United States.

Mr. Winthrop BROWN (United States): Mr. Chairman, may I suggest that the point raised by the Delegate of France as to the importance of maintaining the emphasis on the multilateral character of these negotiations--an importance which we entirely agree with him is very great--would be met by including in any announcement the suggestion made by the Delegate of the United Kingdom that the result of the bilateral talks was subject to adjustment in the light of the completion of the balance of the negotiations. May I also suggest that the point which I raised, and to which the Delegate of Australia replied, about Governmental approval might be easily met by simply saying that such talks were also subject to any necessary approval of the Governments concerned

Finally, on the matter of whether an agreement reached between two Members should be put into effect immediately, I wonder whether the gain which would be achieved by putting such an agreement into effect immediately--which might gain perhaps a month or two over awaiting the end of this Conference--would be a very real gain; and whether it is not a serious risk that if one agreement is made public in detail with all the rates involved, that there would be very great pressures on the public and the Press to find out what other rates have been tentatively agreed upon, which might prove embarrassing to Members who have not finally completed their negotiations.

On the major point that the Delegate of Australia makes, that we might be in situation of announcing the completion of several talks and then having a long silence until the end when the whole outcome was announced, we have considered that

in the Tariff Working Party, but we did feel that on balance it would be more desirable to let the world know that work was going on here and actually reaching completion in a number of cases; and that it was better to make public those signs of progress, even though there might be gaps of time between such announcements.

CHAIRMAN: May I ask if the remarks made by the Chairman of the Working Party and of the United States representative give satisfaction to the representative of Australia?

Dr. H.C. COOMBS (Australia): I understand the motives which lead to the conclusion, but I must confess that I still feel unable to accept the conclusion as a wise one. It might be of some assistance, I suggest, Mr. Chairman, to know what Members would be in the same position as the Australian Delegation; that is, as I have said, we would not be able to inform the Secretariat of the completion of any negotiations until we had completed them all, and nothing that has been said by Members of the Working Party can affect that. If any other countries are in the same position, then we would be able to get an impression of whether the gap to which I have referred is likely to appear. In Australia is the only country that is concerned in that way, then the problem might not be a serious one. There would, perhaps, be questions asked as to why there was this particular hold-up, but that no doubt could be dealt with if it arose; but if the position is that there are a number of countries who would be unable to report the completion of negotiations, even though they had made substantial progress, then the fear which I have expressed of a gap which would be misleading to the public would perhaps be a real one.

CHAIRMAN: I wonder whether the Working Party have any objection to taking the question once more under consideration, and if they find that they ought to maintain their suggestion, they might perhaps build it along the lines of the explanation which their Chairmen gave us just now, namely that what should be published is only the fact that the direct talks between so-and-so have come to an end but the question is now subject to the result of the multilateral negotiations, and where required, the approval of the Governments concerned. If a new suggestion by the Working Party on such lines were found acceptable, then that would perhaps be the better procedure.

Mr. L.D. WILGROSS (Canada): Mr. Chairman, I think your suggestion is a very good one, and now that we have the benefit of the discussion here, I am sure the Working Party could consider the matter again with a view to endeavouring to reach a solution which would be satisfactory to all members of the Preparatory Committee.

CHAIRMAN: Apart from Annex E I think I can take it that the Committee agrees to the ^{Sixth} Report of the Working Party. I would like to add that, as this is the Sixth Report, we have now got some considerable experience of the way in which the Working Party is functioning. It can be called, more or less, our conscience, as it is forcing us to make as much progress as we can, and I think we could extend our thanks and appreciation to the members of the Working Party.

Mr. L.D. WILGROSS (Canada): Thank you, Mr. Chairman.

CHAIRMAN: Still in Executive Session, I have been asked to mention paper T/86, which is the Recommendation of the Working Party on Tariff Negotiations, and the subject is the Progress of the Tariff Negotiations. You have received that paper a couple of days ago, and you will remember that it contains a proposal to the effect that we shall report once a month on the relative stages of our different negotiations. It is intended that this paper should be taken in Executive Session on Friday, if you will kindly be prepared to take it then.

And now I think it is high time that we continue the work of Commission A.

(The Meeting rose at 3.25 p.m.)
