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PREPARATORY COMMITTEE OF THE INTERNATIONAL CONFERENCE  
ON TRADE AND EMPLOYMENT

REPORT OF THE FIRST SESSION OF THE PREPARATORY COMMITTEE  
OF THE INTERNATIONAL CONFERENCE ON TRADE AND EMPLOYMENT AND  
FORM THAT THE SUBSEQUENT WORK OF THE PREPARATORY COMMITTEE  
MAY TAKE

The following note, incorporating suggestions made at the Second Meeting of the Heads of Delegations, is submitted for further consideration:-

The present meeting is of a preparatory nature and it is therefore fully recognized that the Report would not in any way commit the member Governments. It is nevertheless considered that a Report which contained a draft charter or agreement might be embarrassing to some Governments as appearing to indicate a degree of finality in the work of the Preparatory Committee.

It is recognized that the questions being dealt with by the Preparatory Committee at this early stage are interdependent and it will be difficult to envisage the exact nature of the final report until the subject can be seen as a whole. In particular, the negotiations in respect of tariff reductions will exert very considerable influence on the result of the work of the Preparatory Committee.

It is therefore proposed that the Report of the Preparatory Committee should consist of a First Part, a Second Part, and an Appendix.

Part One would be drafted under the headings of the Draft Charter submitted by the United States, which has furnished the heading of the Agenda adopted by the Preparatory Committee. Under each of these

headings there would be a report in continuous form, reviewing the main principles agreed upon at the meeting and drawing attention in the second place to any conflicting views. This would provide a general narrative statement of the discussions of the Preparatory Committee.

Part Two would take the form of instructions to a Drafting Committee for the preparation of a Draft Charter. It would specify the points on which agreement had been reached and offer alternative suggestions where there had been no agreement. Irrespective of the order in which they appeared, it is expected that the items to be included in Part Two would fall roughly under two categories:

1. Provisions of a routine character which it is expected would be easily agreed upon;
2. Controversial matters on which differences of view still existed in the Preparatory Committee. The various viewpoints would be set out in detail with suggestions to the Drafting Committee as to possible alternative draft clauses to cover the different points of view.

The Appendix would be in the form of a Draft Charter, including those parts of the United States Charter on which there was general agreement, any amendments or additions which were proposed or agreed upon, and any alternative draft clauses. These amendments, additions, and alternative clauses would reflect the suggestions in Part Two of the Report. The object of the Appendix, which would not be an integral part of the Report itself, would be to serve as a guide or basis for the work of the Drafting Committee in its consideration of Parts One and Two of the Report.

It is felt that the foregoing sets out what was generally agreed at the second meeting of Heads of Delegations. It will be seen that these proposals envisage the establishment of a Drafting Committee. Consequent upon this decision, the following questions arise for consideration:-

- (a) The composition of the Drafting Committee;
- (b) When and where it should meet;
- (c) What arrangements should be made for the Drafting Committee to report to the Preparatory Committee.

As regards (a), it is suggested that any Government represented on the Preparatory Committee should have the right to be represented on the Drafting Committee. Member Governments who desire to be represented on the Drafting Committee should inform the Executive Secretary prior to the conclusion of the present Session of the Preparatory Committee.

As regards (b), it is suggested that Heads of Delegations should give careful consideration to the advantages of the Drafting Committee meeting at New York. This would assist the Economic Department in providing adequate Secretariat facilities, and would also mean that the Drafting Committee would be in close and easy touch with the representatives of the Bank, the Fund, FAO, and the Secretariats of the Commissions of the Economic and Social Council which are directly concerned with matters within the scope of the Preparatory Committee. On the question of the time of the meeting, it is suggested that the Drafting Committee should meet not later than the middle of January, in order that its work may be completed either before or during the second Session of the Preparatory Committee (as to which see below).

As regards (c), Heads of Delegations will no doubt wish to consider this question in relation to the suggestion made by the United States Delegate that the tariff negotiations envisaged in the Draft Charter should be sponsored by the Preparatory Committee, which should meet for this purpose not later than 31 March 1947, at Geneva. If the Preparatory Committee is prepared to accept this proposal, then the meeting in the spring of 1947 would appear to be the appropriate occasion for the presentation of the Drafting Committee's Report to the Preparatory Committee. This arrangement would have the advantage of enabling the Preparatory Committee, at the conclusion of the spring meeting, to present a complete report to the Economic and Social Council, and for consideration by the International Conference on Trade and Employment in the autumn of 1947.

Finally, it is suggested that if it is agreed to hold a further session of the Preparatory Committee in the spring of 1947, items 11, 12, 13, and 15 of the Agenda of the Preparatory Committee (Document E/FC/T/4) should be referred to that meeting.