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

Chairman's Committee

(Heads of Delegations)

Summary Record of the Twelfth Meeting held on
Thursday, 17 July, 1947, at 5 p.m.

Chairman: Mr. Max Suetens (Belgium)

Agenda Item 1. Report of Charter Steering Committee on
Progress of Charter discussions. (E/PC/T/DEL/54)

1. Mr. E. WYNDHAM WHITE (Executive Secretary) presented the Report on behalf of the Chairman of the Charter Steering Committee, emphasizing three points in particular:

(i) Sub-paragraph (c). Sub-committees were apparently continuing to discuss clearly irreconcilable points of view, thereby prolonging their work unnecessarily. Sub-committees should attempt to reconcile different points of view expressed in the Preparatory Committee which appeared from the discussion to be capable of reconciliation, leaving the remaining points to be resolved, if possible, by the Preparatory Committee in its subsequent discussion of sub-committee reports. At this stage, Members would have an opportunity to enter a formal reservation or withdraw a dissent made to a sub-committee report. Unless such a division of work between sub-committees and the Preparatory Committee was observed, it was doubtful that the Charter work would be completed by the target date.

(ii) Sub-paragraph (d). Although any Delegation having a substantial interest in the work of a sub-committee clearly had the right to present its views, the object of establishing small sub-committees would be defeated if Delegations, not members thereof, were permitted to participate as extensively in the work of a particular sub-committee as in Preparatory Committee discussions. This was the reason for the suggestion that sub-committee chairmen adopt a stricter procedure in order to expedite their work.

(iii) Sub-paragraph (f). It was hoped that all Delegations would take advantage of the proposed three-day recess scheduled for 25, 26 and 27 July to make a complete break in Conference work, tariff negotiations as well as Charter discussions. Otherwise this respite would lose its effectiveness and could not be justified.

2. Mr. J.P.D. JOHNSON (New Zealand) (i) having examined the proposed schedule, considered 31 July a somewhat ambitious target date for the completion of sub-committee work, and (ii) expressed some concern as to the effect on the General Agreement on Tariffs and Trade of the suggestions made in sub-paragraph (c). The failure to clarify divergent views at the sub-committee stage might, in his view, result in a considerable number of reservations at the Preparatory Committee stage which would make it difficult to agree on the provisions of the General Agreement.

3. Mr. E. WYNDHAM WHITE (Executive Secretary) explained that the proposed schedule had not been drawn up merely on the basis of the amount of time available before 31 July, the agreed target date, but that an attempt had been made to calculate the time reasonably required to complete the work of each sub-committee on the assumption that the proposals to expedite

sub-committee procedure would be adopted. The main point for consideration, therefore, was in what respects sub-committee procedure could be expedited.

4. Mr. L. GOTZEN (Netherlands) objected to the procedure proposed in sub-paragraph (d) whereby non-members of sub-committees would be asked to indicate the substantial points on which they wished to express views and to submit their statements, either in writing or orally, by prearrangement with the Chairman. Only a few Delegations were represented on all sub-committees, and it was essential in his view for Delegations not represented to be able to express in the sub-committee their views on points of particular interest to them. He proposed alternatively that sub-committee procedure should be left to the discretion of the respective Chairmen. Mr. Gotzen also doubted that sufficient time had been allocated for Chapter IV in view of the outstanding issues which remained to be resolved and the United States amendment on capital investment which had not yet been discussed.

5. Dr. H.C. COOMBS (Australia) considered the comments made by the Netherlands Delegate to be valid. While agreeing, on the first point, that it was essential for Delegations other than members of sub-committees to be able to participate in sub-committee work when points of particular interest to them were being discussed, he believed that arrangements had in fact been made for them to attend and take part. This being the case, he regarded it as essential that such Delegations exercise self-discipline in this respect, particularly since discipline imposed by the Chairmen might be mistaken for partiality. Delegations not members of a sub-committee could assist the Chairman by not exercising their right to participate unless

the matter being discussed was one of great importance to them and their particular point of view had not already been put by a member of the sub-committee. Regarding Mr. Gotzen's second point, Dr. Coombs commented that the sub-committee meetings on Chapter IV had been scheduled as in E/PC/T/DEL/54 quite deliberately. The Sub-Committee on Chapter IV would not meet from 18 to 24 July, after which it would be in continuous session. This would enable Delegations to dispose of other work and then concentrate on the issues outstanding in Chapter IV. Considerable activity with regard to Chapter IV would doubtless continue meanwhile. Dr. Coombs expressed the view that if the proposed programme, embodying a target date for the completion of the work of each sub-committee, were adopted in practice, including the proposals for expediting sub-committee procedure, there was a real hope of completing all sub-committee work by the agreed target date of 31 July.

6. Mr. ROYER (France), (i) pointed out that it was somewhat doubtful that the Legal Drafting Committee could complete its work by the 15 August target date if the reports of the sub-committees on Chapters IV, V and VIII were not received until some time during the first week in August, as would appear to be the case if the proposed schedule were adopted; (ii) considered sub-paragraph (c), somewhat defeatist in its assumptions. He proposed that the second paragraph of (c) should be amended along the following lines: "Sub-committees should attempt to conciliate differences of opinion. Only if there remain substantial differences of opinion should sub-committees, rather than trying to solve these, prepare texts to cover the majority view . . ."

7. Mr. E. COLBAN (Norway) supported the drafting changes in sub-paragraph (c) proposed by the French Delegate.
8. Mr. E. WYNDHAM WHITE (Executive Secretary) expressed the view that if the second paragraph of (c) were reworded in accordance with the French Delegate's suggestion, it would lose its original connotation.
9. Dr. WUNSZ KING (China) said that his Delegation would be unable to accept the proposal in sub-paragraph (c) if it meant that there would be no intermediate stage at which sub-committee reports would be discussed in the Commissions before being referred to the Preparatory Committee. A number of Delegations, including the Chinese, were not represented on several of the sub-committees. It was essential that such Delegations should have an opportunity to discuss sub-committee reports prior to their final consideration by the Preparatory Committee.
10. Mr. E. WYNDHAM WHITE (Executive Secretary) pointed out that the constitutional status of Commissions was identical with that of the Preparatory Committee in Plenary Session, since all Delegations were represented both on Commissions A and B. It had been agreed merely for administrative convenience that the Preparatory Committee should sit in two sections for a general discussion of amendments proposed to the Charter (see Report of Charter Steering Committee, E/PC/T/72).
11. Dr. H. C. COOMBS (Australia, referring to other Delegates' comments on sub-paragraphs (c) and (d), said that he had no doubt that the sub-committees should and did make every effort to reconcile major as well as minor differences of opinion. The aim had been to seek unanimity. So long as there was a prospect that major differences might be resolved and compromises reached, it was desirable to continue this

work in the sub-committee. But it should be possible for sub-committees to terminate the search for unanimity, if it became clear that it could not be achieved, and report back to the Preparatory Committee, even if this involved presentation of majority and minority reports. Unless some such procedure as that proposed was agreed, it would be difficult for sub-committee chairmen to assume the responsibility for terminating sub-committee work. As for Dr. Wunsz King's remarks, he believed it was absolutely clear that whether sub-committee reports were discussed in the Commissions or in the Preparatory Committee, there would be a stage at which such reports were open to discussion by Delegations not represented on sub-committees.

12. Mr. C. WILCOX (United States) suggested that if any Delegation attached real importance to the present Commission structure, it might as well be continued until all sub-committee reports had been discussed, after which the Preparatory Committee in Plenary Session could consider these reports on a purely formal basis.

13. It was agreed (i) to add the words "in commission" to the last sentence of the second paragraph of (c) to meet the Chinese Delegate's point; (ii) to amend sub-paragraph (c) in the light of the Committee's discussion; and (iii) to amend sub-paragraph (d) to meet the point raised by the Netherlands Delegate.

14. Mr. WUNSZ KING (China) was not entirely satisfied with the amendment to sub-paragraph (c) and reserved the right of the Chinese Delegation to reopen any question if consideration of sub-committee reports was to be a mere formality.

15. The CHAIRMAN assured the Chinese Delegate that there was no intention that Preparatory Committee consideration of

sub-committee reports should be purely formal, whether in Commission or in Executive Session. It was the intention that all Delegations should be given the opportunity to express their views on sub-committee reports, including Delegations not members of particular sub-committees.

16. Mr. J.R.C. HELMORE (United Kingdom) made two points: he hoped (i) that the use of the words "Plenary Session" in the last line of sub-paragraph (c) did not imply that a decision on whether or not the final sessions of the Preparatory Committee should be in public or private was now being made; and (ii) that, though the proposed schedule could be interpreted to mean that the General Agreement on Tariffs and Trade would not be discussed until 1 August, this would not necessarily be the case if discussions before that date in the Preparatory Committee should prove feasible.

17. Mr. E. WYNDELM WHITE (Executive Secretary) explained that by the words "Plenary Session", the Preparatory Committee in private, plenary or executive session had been intended. Discussions on the General Agreement were proceeding in the Tariff Negotiations Working Party and it would, of course, be possible to propose a Preparatory Committee meeting to discuss the Agreement at any time even prior to 1 August since the proposed schedule was limited to sub-committee meetings.

18. The Charter Steering Committee's proposals (E/PC/T/DEL/54) were adopted as amended, and the Chairman requested Heads of Delegations to instruct their Delegations accordingly.

Agenda Item 2. Second Special Report on the progress of Tariff Negotiations by the Tariff Negotiations Working Party (E/PC/T/S/3).

19. Mr. L.D. WILGRESS (Canada), Chairman of the Working Party, presented the Report. Mr. Wilgress said that in addition to the information contained in the Report, the progress of tariff negotiations since the date of issue had been reviewed by the Working Party and a number of Delegations whose progress in negotiations was considered unsatisfactory had been interviewed.

By and large, negotiations fell into two categories, those which involved a limited number of products involving a small volume of trade and those involving a large number of products involving a substantial volume of trade. With respect to the first category, the Working Party believed there were a certain number of negotiations which could be completed by the target date while others appeared to be more doubtful. With respect to the second category, there were a few Delegations, for example, Belalux, which were making good progress. The Working Party believed that it would be possible to complete most of the negotiations in the second category around the target date, provided that a number of important policy questions were resolved in the very near future so that negotiations could make steady progress thereafter until 15 August, the target date.

20. The Second Special Report of the Tariff Negotiations Working Party was adopted without discussion.

Agenda Item 3. Note by the Executive Secretary regarding Observers from Governments Non-Members of the United Nations to the Preparatory Committee. (E/PC/T/DEL/49)

21. Dr. Z. AUGENTHALER (Czechoslovakia), supported by Mr. L. GOTZEN (Netherlands), objected to the Executive Secretary's suggestion to permit representatives of Governments Non-Members of the Preparatory Committee which the Committee had recommended should be invited to participate in the World Conference to attend Committee meetings as observers on the grounds that this would be contrary to the Committee's Rules of Procedure.

Dr. Augenthaler believed that pending a decision by the Economic and Social Council on the Committee's recommendations only Members of the United Nations should be allowed to participate as observers in the work of the Preparatory Committee and to receive its documents.

22. Mr. E. COLBAN (Norway) proposed that the Executive Secretary's suggestion be held in abeyance until the Economic and Social Council had considered the Report of the Preparatory Committee. When the Council had reached a decision on invitations to Non-Members of the United Nations to the World Conference, the Executive Secretary should be free to proceed with the suggestions made in the note under consideration, in accordance with the Council's decision, without further consultation with the Chairman's Committee.

23. Mr. J.R.C. HELMORE (United Kingdom), supported by Mr. ROYER (France) and Mr. FORTHOMME (Belgium) expressed agreement with Dr. Augenthaler's conclusions but not with his reasoning, since the Preparatory Committee was free to amend its own Rules of Procedure. He believed it was preferable not to adopt this suggestion at this stage, particularly in view of the proximity of the target date for completion of the Second Session.

24. It was agreed that a decision on this proposal should be postponed pending the Economic and Social Council's action on the Preparatory Committee's Report, in particular the Committee's recommendation regarding the invitation of Non-Members of the United Nations to the World Conference. It was agreed further that the Executive Secretary should act on this proposal in accordance with the Council's decision without reference back to the Committee.

25. Mr. E. COLBAN (Norway) proposed that the desirability of introducing into the name of the Organization the word "Employment" as well as "Trade", e.g., "International Organization on Trade and Employment", should be investigated, and agreed with the Chairman's suggestion to refer this question to the Sub-Committee on Chapters I, II and VIII.

26. The meeting adjourned at 7 p.m.