

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 Thirteenth Meeting held on
Friday, 1 August, 1947, at 2.30 p.m.

Chairman : Dr. Z. Augenthaler (Czechoslovakia)

1. The CHAIRMAN informed the Committee that the Economic and Social Council had approved the Preparatory Committee's recommendations with respect to the date and place of the World Conference (Report to the Economic and Social Council - E/PC/T/117 Rev.1).
2. Mr. E. WYNDHAM WHITE (Executive Secretary) added that the Preparatory Committee's Report to the Council had been approved with one exception, i.e. Annexure D regarding invitation of states Non-Members of the United Nations to the Conference on Trade and Employment, which was still under discussion. This question had been referred by the Council to its Economic Committee which had recommended to the Council that the states mentioned in the Preparatory Committee's resolution, with the addition of Pakistan, should be invited to the World Conference, but without the right to vote. Mr. Wyndham White suggested that the Committee might wish to communicate immediately to the Council the assumption on which its recommendation had been based, i.e. that the states mentioned, if invited, would have the same status including the right to vote, as any other state participating in the Conference.

3. Mr. J.R.C. HELMORE (United Kingdom), supported by Dr. J.E. HOLLOWAY (South Africa), proposed that a communication to this effect be sent to the Council in the strongest terms. Mr. Helmore also called attention to the problem such a decision would create for Pakistan. The Indian Independence Bill having now been passed, Pakistan would most likely have applied for membership in the United Nations prior to the World Conference, but it was unlikely that its application would have been acted upon by that time. This would mean that Pakistan would not have the right to vote if the Council were to accept the recommendation of its Economic Committee.

4. Sir R. PILLAI (India) proposed that the Council's attention be called to the problem mentioned by Mr. Helmore, particularly the anomalous situation which would arise if Pakistan were to sign the General Agreement on Tariffs and Trade and then be without a vote at the World Conference.

5. At the CHAIRMAN'S suggestion, it was agreed that the Executive Secretary would cable the Economic and Social Council the Preparatory Committee's unanimous view that all states invited to the Conference on Trade and Employment should have the right to vote, requesting the Council to reconsider any decision to the contrary.

6. The CHAIRMAN called attention to the Executive Secretary's Note suggesting the publication of Chapter VII prior to the first meeting of the Interim Co-ordinating Committee for International Commodity Arrangements on 18 August and the Annual Conference of the Food and Agriculture Organization on 26 August, (E/PC/T/DEL/58), to which he assumed there were no objections.

7. Dr. G. GUTIERREZ (Cuba), as Chairman of the Legal Drafting Committee, preferred that Chapter VII should not be published until the Drafting Committee had completed its examination of the text, probably early next week, particularly in view of some important omissions which the Drafting Committee was calling to the attention of the Preparatory Committee.

8. Mr. P. BARADUC (France) and Mr. A. FAIVOVICH (Chile) supported the Cuban Delegate's suggestion, emphasising the need to revise the French text.

9. Mr. E. WYNDHAM WHITE (Executive Secretary) suggested that, in view of the desirability of making known the general lines of the commodity principles laid down in Chapter VII prior to the meetings referred to, there was a stronger argument for publishing immediately the provisional text than for awaiting the revised text.

10. This point of view was supported by Mr. J.R.C. HELMORE (United Kingdom), as Chairman of the Interim Co-ordinating Committee, and Dr. H.C. COOMES (Australia).

11. At the CHAIRMAN'S suggestion, it was agreed that the Executive Secretary and the Chairman of the Legal Drafting Committee should confer and decide whether or not Chapter VII should be published in its present form.

Agenda Item 1. Report of Tariff Negotiations Working Party.

(E/PC/T/S/4)

12. Mr. L.D. WILGRESS (Canada), Chairman of the Working Party, presented the Report, dated 24 July, pointing out that it was already somewhat out of date. However, the Working Party had today approved a further Report, which would indicate that tariff negotiations, rather than proceeding at an accelerated rate, as suggested at the last meeting of the Chairman's

Committee, were proceeding at a decelerated rate. The Working Party had concluded that it was clearly impossible for tariff negotiations to be completed on 15 August, the target date fixed by the Committee. The new Report would recommend consideration of

- (a) a new and more realistic target date, and
- (b) what steps could be taken to meet such a target date.

13. The Committee agreed to Mr. Wilgress' proposal that the Chairman's Committee be convened on Monday, 4 August, at 10.30 a.m. to discuss the Working Party's latest Report.

Agenda Item 2. Programme for completion of Charter discussions.
(E/PC/T/DEL/61)

14. Mr. E. WYNDHAM WHITE (Executive Secretary), in presenting the Secretariat's suggestion, acknowledged their imperfections which he believed to be inherent in the difficulties faced by the Committee in attempting to complete its work by the target date, 15 August. While recognizing that the respective sections of the Charter had been scheduled for consideration in a somewhat arbitrary order, he believed it was essential to consider reports as they became available if the target date was to be met. The Commission device had been retained to permit simultaneous meetings if necessary. It was assumed that the Preparatory Committee (sitting in Commission) would meet only in the afternoons but it should be considered whether that rule could be maintained during the closing stages. If additional meetings were required, the Committee might wish to examine the possibility of evening as an alternative to morning meetings, leaving mornings free for sub-committees and tariff negotiations. No provision had been made in the schedule for meetings of the proposed Tariff Agreement Committee, a committee of the whole, the composition of which would probably be such as to conflict with Preparatory Committee meetings.

Two days had been allotted for the final reading stage in Plenary Session, with 15 August being left open as an additional day for this purpose if required. Regarding the progress of sub-committee work, there were a number of important sub-committees still sitting, especially the Sub-Committee on Chapter IV. However, it was anticipated that all sub-committees would be able to complete their work in time to permit circulation of their reports 24 hours in advance of the date on which they were scheduled to be discussed.

15. The CHAIRMAN asked for an expression of opinion on the following suggestions, which, if adopted, might enable the Committee to adhere to the proposed schedule:

- (a) Should the Commissions meet in mornings and evenings in addition to afternoons?
- (b) Should the Tariff Agreement Committee meet simultaneously with the Commissions?
- (c) Should Commissions A and B meet simultaneously?

16. Dr. H.C. COOMBS (Australia), (a) preferred that morning and evening sessions should be reserved for sub-committees; (b) indicated it would be inconvenient so far as the Australian Delegation was concerned for the Tariff Agreement Committee to meet simultaneously with Commission A, although simultaneous meetings with Commission B would be possible; (c) had no objections to simultaneous meetings of the Commissions.

17. Dr. G. CUTLER (Cuba) had no objections to the three suggestions mentioned by the Chairman, but pointed out that the schedule did not provide for Preparatory Committee consideration of final texts as revised by the Legal Drafting Committee. A minority of the Legal Drafting Committee members held the view that the Committee should be abolished

and the texts published as they emerged from the sub-committees. The majority, however, favoured continuing the Legal Drafting Committee, establishing rules of procedure to expedite its work, and providing in the schedule for consideration of the revised texts. Dr. Gutierrez strongly recommended the view of the majority.

18. Mr. E. WYNDAH WHITE (Executive Secretary) pointed out that the revised texts would be considered at the final reading stage. He strongly favoured, however, discontinuing the Legal Drafting Committee on the grounds that the proposed time-table would not permit of its doing an effective job on the more difficult Chapters, the texts of which would not be available for some time yet. Any editing work done should be limited primarily to ensuring that the French text was authentic. The existing procedure was that French-speaking Delegations made available their services for this purpose. The Charter as it emerged from this Session would in any case be primarily a working document for the World Conference and the more serious work of editing and drafting might well be reserved until after this later stage.

19. Mr. A. FAIVOVICH (Chile) expressed the view, on behalf of the smaller Delegations, that it would be impossible to adopt the proposed schedule. He objected to simultaneous meetings of the Commissions, especially since all sub-committees had not yet finished their work; suggested that the Tariff Agreement Committee should begin its work only after the relevant provisions of the Charter had been agreed; and agreed with the suggestion made by the Chairman of the Legal Drafting Committee that the latter Committee should continue its work.

20. Dr. A.B. SPEKKENBRINK (Netherlands) considered the

proposed schedule highly unrealistic. Nor did he agree that the Charter as it would emerge from this Session would be merely a working document for the World Conference since certain of its provisions would be included in the General Agreement on Tariffs and Trade. He did not favour simultaneous Commission meetings, for the reason that Heads of Delegations should be able to give their personal attention to these discussions as well as to the deliberations of the Tariff Agreement Committee. Dr. Speekenbrink proposed that sub-committees should complete their work by the end of next week, that all reports should be circulated at least 48 hours in advance of their consideration by the Commission, and that the target date should be postponed from 15 August to 25 August.

21. Mr. C. WILCOX (United States), with respect to the three points mentioned by the Chairman, indicated that the United States Delegation was prepared to accept any arrangements which were convenient to other Delegations. As for the proposed schedule, he could not agree with the views expressed by Dr. Speekenbrink. He considered the work of the Session to be considerably advanced and believed that many outstanding points might yet be resolved by the dates suggested for consideration of sub-committee reports. If this were not the case, Delegates could temporarily reserve their positions on particular paragraphs pending the final reading. He believed the proposed schedule could be adopted on the understanding that it was subject to adjustment, particularly as to the final reading stage, if it became clear that the Committee was not ready for formal action by 14 August. Mr. Wilcox dissented from any suggestion that the Legal Drafting Committee should be disbanded.

22. Mr. P. BARADUC (France) disagreed with the suggestion to discontinue the Legal Drafting Committee. As for the proposed schedule, his Delegation was prepared to work at the convenience of other Delegations. Regarding Mr. Wilcox's remarks, he considered it essential to have certain Chapters of the Charter, particularly Chapters IV and V, available for consideration at the same time, even if this meant a delay in the completion of the work of the Session.

23. Mr. P.A. FORTHOMME (Belgium) indicated that his Delegation was prepared to work at any time; considered it inadvisable to abolish the Legal Drafting Committee, but proposed that the Committee should concentrate its work on improving the French text; found it impossible to accept the proposed schedule, particularly since the text of the Draft Charter should be considered as a whole, in view of the close relationship between certain of its sections.

24. Dr. H.C. COOMBS (Australia) urged revision of the schedule to permit, as early as possible, at least a preliminary examination by the full Preparatory Committee of the implications of the Report of the Tariff Negotiations Working Party for the General Agreement on Tariffs and Trade. He agreed with the view expressed by the Belgian Delegate that it would be necessary at some stage for the Preparatory Committee to consider the Charter as a whole in order to perceive the relationship between its various parts. If the Legal Drafting Committee was in fact going beyond purely technical editing and seeking to clarify substantive issues, then he believed it would be desirable to defer this aspect of their work. Such an attempt to clarify the substance might result in a distortion of the agreed interpretation of the text or the upsetting of precariously achieved compromises.

25. The CHAIRMAN summarized what he believed to be the general feeling of the Committee as follows:

- (a) The Legal Drafting Committee should be continued;
- (b) The Commissions should not meet simultaneously, either because of the difficulties caused thereby for smaller Delegations or because Heads of Delegations would themselves like to follow the discussions;
- (c) Groups of articles should be considered en bloc rather than separately;
- (d) It would be impossible for the Committee to complete its work by 15 August.

26. The CHAIRMAN therefore proposed that

- (a) the sub-committees continue their work from 4 August through 7 August;
- (b) The Tariff Agreement Committee be convened as soon as feasible;
- (c) Commission Meetings be scheduled from 8 August through 16 August to hear sub-committees reports;
- (d) Plenary meetings for final readings be scheduled for 18 and 19 August.

27. Mr. A.V. FERREIRA BRAGE (Brazil) indicated that his Delegation would be willing to work at any time; considered it advisable to maintain the Legal Drafting Committee; supported the Chairman's proposals.

28. Mr. MELANDER (Norway) expressed general agreement with the Chairman's proposals but suggested amending them by reserving all of next week for the completion of sub-committee work and consideration of the General Agreement, deferring the final target date until 22 August.

29. Mr. J.P.D. JOHNSEN (New Zealand) pointed out that there were certain issues in Chapter V which could not be resolved until the Report on Chapter IV was available, and doubted that any final date for the end of the Session could be fixed at present.

30. Mr. J.R.C. HELMORE (United Kingdom) suggested that Commissions should consider sub-committee reports as and when available, provided they had been circulated 48 hours in advance. Reports should be considered by the Commissions prior to the Preparatory Committee stage to give Delegations not participating in the work of particular sub-committees an opportunity to discuss them. He believed it would save time to proceed on this basis, subject to a final re-examination of the Charter as a whole, although this might mean temporary reservations on certain Articles or paragraphs. He supported the view expressed by a number of Delegations that the Legal Drafting Committee should be continued, particularly since it was essential to establish identical French and English texts.

31. It was agreed to adopt the Chairman's proposals (a) to fix 7 August as the target date for the completion of sub-committee work, (b) to begin consideration of sub-committee reports in Commission on 8 August, and (c) to fix 19 August as the target date for the completion of the Preparatory Committee's work. The Executive Secretary was asked to prepare a new schedule on this basis, taking into account suggestions made during the discussion, particularly (a) that in so far as possible, groups of Articles should be discussed together; (b) sub-committee reports should be distributed 48 hours in advance of the date scheduled for their consideration; and (c) that time should be allotted between 4 and 7 August for a preliminary examination of the General Agreement.

Agenda Item 3, Report of Tariff Negotiations Working Party
on General Agreement on Tariffs and Trade (E/PC/T/135) Establishment
of Trade Agreement Committee.

32. Mr. L.D. WILGRESS (Canada), Chairman of the Working Party, presented the Report. The Working Party, which had been charged with making a study of the form of the General Agreement on Tariffs and Trade, presented this Report as a basis for further discussion of the General Agreement. The Working Party had taken as a basis for its work the text prepared by the Drafting Committee, and had also taken into consideration papers submitted by the Polish Observer and the Australian and Cuban Delegations, and had consulted with particularly interested Delegates, among whom were Dr. Coombs and Dr. Gutierrez.

Mr. Wilgress proposed (a) that discussion of the General Agreement should be confined initially to Sections I and III which were peculiar to the General Agreement, deferring consideration of Section II, which embodied Articles of the Charter, until the text of the Charter had been established; and (b) that the Chairman's Committee should discuss the progress of tariff negotiations on Monday, 4 August, particularly since the Working Party's Report on the General Agreement was based on certain assumptions, including the assumption that the present target date for the completion of tariff negotiations could be met.

33. The CHAIRMAN'S suggestion that Mr. Wilgress continue as Chairman of the Tariff Agreement Committee, on which all Delegations would be represented, was agreed. It was agreed further that the Chairman's Committee would meet on Monday, 4 August, at 10.30 a.m. to discuss the progress of tariff negotiations, immediately after which the Tariff Agreement Committee would begin its deliberations.

34. The meeting rose at 7 p.m.