

DRAFTING COMMITTEE OF THE PREPARATORY COMMITTEE OF THE
UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT

SUMMARY RECORD OF THE FIFTH MEETING

SUB-COMMITTEE ON ADMINISTRATION

Held at Lake Success on 31 January 1947 at 2:45 p.m.

Chairman: Dr. Guillermo Alamilla

1. Corrections of Previous Summary Records

The South African Delegate requested a correction in the summary record of the Sub-Committee's first meeting (E/PC/T/C.6/5), on page 3, third paragraph: It should read ".....similar to the one of the United Nations Charter in regard to the Security Council", instead of ".....in regard to the Economic and Social Council".

The Delegate of Brazil requested a correction in the summary record of the Fourth Meeting (E/PC/T/C.6/25) page 4, Item 2: according to his notes the vote on national income as a criterion was not evenly divided, but six countries voted against and four for incorporation of national income as a criterion.

The Delegate of Chile requested a correction on page 3, fourth paragraph of the Summary Record of the Fourth Meeting (E/PC/T/C.6/25): It should read: "the same as without any specific provision they are elected to the Economic and Social Council of the United Nations", instead of "...they will always be elected to the Economic and Social Council of the United Nations".

Upon the motion of the CHAIRMAN the Sub-Committee expressed its complete satisfaction with the summary records of the Sub-Committee, notwithstanding the very minor errors which so far had occurred.

2. Working Papers Submitted to the Sub-Committee.

The following working papers were submitted to the Sub-Committee:

A tentative draft of Article 68 submitted as a personal draft of Mr. Fausto Soto, in his personal capacity, but not in his capacity as Delegate of Chile.

A Secretariat table of the United Kingdom formula for weighted voting on the basis of statistical data for 1938.

A tentative redraft by the United Kingdom of paragraphs 4, 5 and 6 of the United States draft for Article 1 as contained in E/PC/T/C.6/W.1.

Mr. Soto explained the ideas underlying his draft of Article 68. Various questions were put by other delegates, with a view to clarifying Mr. Soto's proposal.

3. Debate on Article 1 - Purposes.

The Committee debated whether the introductory line, preceding paragraph 1, should attribute the purposes to the International Trade Organization as in the London draft, or to the World Trade Charter, as in the United States revision E/PC/T/C.6/W.1. The South African Delegate proposed to solve this issue by changing line 1 into a clause with the character of a preamble, and the Sub-Committee unanimously agreed on the basis of the wording submitted by the Delegate from South Africa, with a minor change suggested by the Delegate from Canada to the text set out below.

Paragraph 1.

The Sub-Committee then debated paragraph 1 in the formulation of the United States Draft as contained in E/PC/T/C.6/W.1. The Australian Delegate suggested the wording "full and productive employment and high and stable levels of effective demand and real income" in place of the United States formulation. The Brazilian Delegate moved for the elimination of the words "and for the reduction of tariffs and other trade barriers" and suggested the substitution of this negative formulation by a more affirmative one. The

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United States Delegate pointed out that Article 1 contained a kind of summary of the whole contents of the ITO Charter, and since some chapters of the Charter dealt with the reduction of tariffs and other trade barriers, these words ought to be retained, even as a short formulation of the other chapters of the Charter were contained in paragraph 1. After the Delegates from Brazil and Australia withdrew their reservations pending further instructions from their Governments, the Sub-Committee unanimously approved the formulation of paragraph 1 as set out below.

The Sub-Committee approved the wording of paragraphs 2, 3 and 4 as formulated by the United States (E/PC/T/C.6/W.1); changing in paragraph 4 the word "promote" to "facilitate".
Paragraphs 5 and 6 were approved on the basis of the working paper submitted by the United Kingdom.

The Sub-Committee resolved unanimously to delete the final two lines of the United States Draft. The meeting was adjourned to 3 February, at 2:45 p.m. The Sub-Committee unanimously approved the following text:

"Article 1. General Purposes.

"In pursuance of the determination of the United Nations to create conditions of economic and social progress essential to world peace, the signatories of this Charter for World Trade hereby establish an International Trade Organization through which they will work for the purposes set out hereunder:

1. To promote national and international action for the expansion of the production, exchange and consumption of goods, for the achievement and maintenance in all countries of high levels of productive employment, effective demand and real income, for the development of the economic resources of the world, and for the reduction of tariffs and other trade barriers and the elimination of all forms of discriminatory treatment in international commerce; thus avoiding excessive fluctuations in world trade and

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contributing to a balanced and expanding world economy.

2. To further the enjoyment by all Members, on equal terms, of access to the markets, products and productive facilities which are needed for their economic prosperity and development.

3. To encourage and assist the industrial and general economic development of Members, particularly of those still in the early stages of industrial development.

4. To facilitate the solution of problems in the field of international trade, employment and economic development through consultation and collaboration among Members.

5. To enable Members to avoid recourse to measures which disrupt world commerce, reduce productive employment or retard economic progress by increasing the opportunities for their trade and economic development on a mutually advantageous basis.

6. To collaborate with other international organizations in the activities contemplated by this Charter."