

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

SUMMARY RECORD OF THE TWENTY-SECOND MEETING

Held at Lake Success, 13 February 1947, at 2:45 p.m.

Chairman: Dr. Guillermo ALAMILLA

1. Corrections

The Delegate for FRANCE remarked that a typographical error had occurred by using the word "qualitative" in document E/PC/T/C.6/57, paragraph 2, line 2, instead of "quantitative" and requested to correct this error.

2. Discussion of Article 77

The CHAIRMAN stated that the functions of the Commodity Commission could be dealt with by two methods: First, the spelling out in detail of all its functions as in the Secretariat's draft and, secondly, referring to the Articles in Chapter VII as the draft by the NETHERLANDS Delegation. He stated that his preference was a compromise between the two. It was decided, therefore to continue the discussion of the Draft by the NETHERLANDS Delegation and to check it for completeness with the Secretariat's Draft.

The Delegate for CUBA stated that he wanted it made clear in paragraph 1 that the investigation of commodity problems was the function of the Commodity Council once it is established and therefore it should be clearly understood that the words "arrangements proposed" applied to situations where a Commodity Council is not yet established.

The Delegate for the United States answered that the functions of the Commodity Commission do not cease once the Commodity Council is established; e.g. the Charter specifies that the Commission shall receive the reports made by the Council, that it will advise the Executive Board on the

continued participation of Members in existing arrangements inconsistent to the objectives of the Charter. Furthermore, in commodity arrangements of a non-regulatory nature there will not always be a Council and therefore the Commodity Commission will have to carry out the functions of a Commodity Council.

The F.A.O. Observer asked whether the present wording of paragraph 1 meant that the Commission may investigate any commodity problems or only those which may in the near future lead to commodity arrangements. He stated that there are already agencies constantly investigating certain agricultural commodities and therefore the broad language of paragraph 1 might give use to useless duplication.

The Delegate for the UNITED STATES answered that the relations between F.A.O. and the Commodity Commission of ITO will be worked out by negotiations between the two Organizations.

It was decided by the Committee to replace the words "proposed arrangements" by the word "proposals" and to maintain the rest of the paragraph as it stood.

The CHAIRMAN stated that he would like to see a specific paragraph in Article 77 stating as a function of the Commodity Commission the carrying out of actual administrative arrangements for the establishment of study groups referred to in Article 4C, paragraph 2.

The Delegates for the NETHERLANDS and the UNITED STATES stated that in their opinion administrative arrangements should not be spelled out, and it was decided by the Committee to follow the opinions of these two delegates.

As to paragraph 2, the Delegate for the NETHERLANDS was of the opinion that to receive studies and requests for studies from specialized agencies, should be of the competence of the Executive Board and not of the Commodity Commission. He stated that an Organization like the World Food Board was composed of about the same number of government

/representatives

representatives as the Executive Board of ITO, and it would be more fitting if the World Food Board would have direct dealings with the Executive Board.

The CHAIRMAN stated that this was a substantive change and therefore not be done in the Sub-Committee but that the attention of the Members of the Committee would be called to this problem and it was decided to put the sentence referring to this question within square brackets.

The Delegate for the NETHERLANDS asked that the word "Organization" in paragraphs 4, 5, 6 and 7 of Article 54 should be replaced by the words "Commodity Commission", as it is the Commodity Commission which exercises the functions of the Organization in these cases.

It was pointed out by some Members of the Sub-Committee that Article 50 of the Charter specified that specialized agencies are entitled to ask that a study of a primary commodity be made by the Organization, but, that no mention was made of the fact that the Organization might ask a specialized agency to make a study.

As to paragraph 3 (Paragraph 2 of the Netherlands paper) it was decided to keep it with minor drafting changes.

As to paragraph 4 of the Netherlands draft, it was decided to delete it as the subject matter was included in paragraph 2.

As to paragraph 5, the Delegate for the UNITED STATES was of the opinion that the specific mention of Articles 61 and 66 should not be made in this connection, and it was decided to change this paragraph to read "to consult as necessary with the other commissions of the Organization".

The Sub-Committee decided to suggest to the Committee the addition of a paragraph to Article 74 in order to clarify the inter-relationship of the commissions:

"To consult, as necessary, with other interested commissions of the Organization within their special fields in regard to advice to be given by the Organization to Members or other organizations or to the Organization itself to assist it in the exercise of its functions."

/The Delegate

The Delegate for the NETHERLANDS reiterated the fact that a co-operation between the Commission and other Specialized Agencies was necessary and it was decided that this should be done by the Executive Board.

3. Discussion of Article 75

The Sub-Committee discussed Article 75 on the basis of a draft suggested by the UNITED STATES Delegation.

The Sub-Committee discussed whether the Commission on Commercial Policy should be entitled to investigate and advise the Executive Board also with regard to the commercial policy aspects to regulatory commodity agreements. It was suggested that in that respect consultation between the Commercial Policy Commission and the Commodity Commission should take place and that the details might be left to the judgment of the Organization.

The Delegate for the NETHERLANDS wished to stress that all commissions will be on the same level and that the Commercial Policy Commission will not be superior to any of the other commissions.

The Sub-Committee decided to delete paragraph 1 of the United States Draft and to combine paragraphs 1 and 2 as set out in paragraph 1 of Article 75 in the formulation of Document E/PC/T/C.6/78.

The Sub-Committee discussed the meaning of paragraph 3 of the United States Draft and the Delegate for the UNITED STATES explained that this draft referred primarily to the case of Article 38, paragraph 3. It was questioned whether the words "economic aspects" were appropriate and whether it would not be preferable to use the words "commercial policy aspects."

While the CHILEAN Delegate pointed out that the term "Economic aspects" was too wide and that it would be preferable to have the reference to Article 38, paragraph 3, the CHAIRMAN explained that paragraph 3 (after the fusion of original paragraphs 1 and 2 - now paragraph 2) would be covered by paragraph 1 if it were limited to Article 38, paragraph 3.

The Delegate for FRANCE moved for leaving this paragraph 1, and to change the word "proposed" in some manner in order to make clear that it did not refer only to the case of Article 38, paragraph 3. After the Delegate for BELGIUM had moved for deletion of this paragraph, and the

/Delegates

Delegates for the UNITED STATES and the NETHERLANDS for retention, the CHAIRMAN suggested to insert before "proposed" the words "existing and". While the Delegate for the NETHERLANDS expressed belief that this would contain a substantive change, the Delegates for the UNITED STATES, UNITED KINGDOM, CUBA, CANADA and FRANCE, with the Delegate for BRAZIL abstaining, supported the CHAIRMAN proposal and the Committee agreed to insert these words. With regard to paragraph 4 (now 3) of the United States Draft, the Delegate for BRAZIL queried the meaning of the words "cooperative projects" and the Delegate for the UNITED STATES explained their meaning as involving plans for standardization and similar co-operative undertakings.

The COMMITTEE decided to add as a new fourth paragraph the same clause for mutual consultation which had been approved for Article 77, and approved the text of Article 75 as set out in document E/PC/T/C.6/73.

Upon the request of the Secretary, the Sub-Committee expressed its approval to have the text of Articles 1, 75 and 77 reproduced as a Committee paper without a formal Sub-Committee Report in this respect.

The meeting was adjourned until 17 February 1947 at 2:45 p.m.
