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

SECRETARIAT

PLAN OF WORK OF THE SECOND SESSION OF THE PREPARATORY COMMITTEE
OF THE INTERNATIONAL CONFERENCE ON TRADE AND EMPLOYMENT

I

1. At its First Session held in London from 15 October to 26 November 1946, the Preparatory Committee of the International Conference on Trade and Employment resolved to convene a Second Session to meet at Geneva on 8 April 1947, to consider certain items of its agenda in accordance with the Economic and Social Council's Resolution of 18 February 1946. By another Resolution regarding Negotiation of a Multilateral Trade Agreement Embodying Tariff Concessions, the Preparatory Committee recommended that a meeting involving such negotiations between Member governments should be held under the sponsorship of the Preparatory Committee in connection with, and as part of, the Second Session, and conducted in accordance with the Memorandum on Multilateral Trade Agreement Negotiations approved by the Preparatory Committee at its First Session. By the same Resolution, Member governments were invited to communicate to the Secretariat their views on the above mentioned recommendation. No Government has given any indication, in reply to the Secretariat's communication on this point, that it would see any difficulty in the convening of the Second Session in accordance with this Resolution. In view of this fact, it is proposed that the Second Session of the Preparatory Committee, at which multilateral tariff negotiations will be conducted, will take place as planned. It has been found appropriate, however, to suggest that the opening be delayed two days so that delegates

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will not be inconvenienced by the Easter traffic. The Session will, therefore, begin at 3:00 p.m. on 10 April in Geneva in the building of the United Nations and cabled communications to this effect are being addressed to the Governments concerned, as well as to the Food and Agriculture Organization, the International Labour Organization, the International Bank for Reconstruction and Development, the International Monetary Fund, the American Federation of Labor, the International Co-operative Alliance, the International Chamber of Commerce and the World Federation of Trade Unions.

2. By note dated 24 January 1947, the Department of Economic Affairs of the United Nations drew the attention of the delegates to the Drafting Committee, set up by the Preparatory Committee at its First Session, to the provisions of the Memorandum on Multilateral Trade Agreement Negotiations approved in London (Annexure 10 to the Report of the First Session), in regard to the exchange of information in anticipation of the Second Session, and requested them to bring the question to the notice of their governments so that the necessary interchange of documentation could take place as early as possible. This information refers to the base date for the negotiation of preferences, exchange of customs tariffs and submission of lists of requested concessions. The documentation already received is being distributed to the Governments concerned and it is expected that governments will hasten to forward to the Secretariat the necessary information whenever they have not already done so. Such action is essential to the smooth beginning of the tariff negotiations. The lists of products on which countries are requesting tariff reductions will be treated as strictly confidential by the Secretariat. Also in accordance with the Memorandum in question, Governments have been asked to provide the Secretariat with an indication of the number and size of the negotiating teams that will be sent to Geneva for the tariff negotiations.

II

Schedule of Meetings at Geneva

1. (a) At the Seventh Heads of Delegations meeting held on 21 November 1946 (document E/PC/T/Del/17) in London, the Delegate for the United Kingdom stated that his delegation felt it would be wise to concentrate at Geneva on the tariff schedules for a considerable time at the beginning of the conference, fixing 8 May as the date on which to start discussing the general clauses. He added that the report of the Drafting Committee would lie on the table for four weeks from the beginning and then the Delegations would summon their experts. Work on tariff negotiations could continue along with work on the general clauses. This proposal was agreed to.

(b) However, the Delegation of the United States to the Drafting Committee has circulated a document (E/PC/T/C.6/53) suggesting that a number of the provisions of the Charter might usefully be examined simultaneously with the initial discussions on tariffs, it being understood that the tariff negotiations should in all cases have priority in the event of a conflict of meetings. This view is based on the following considerations:

(i) It would appear desirable to use to the extent practicable the period that will elapse at the beginning of the Second Session while each Delegation is considering the lists of concessions offered by other Delegations.

(ii) It will be necessary to reach a conditional and tentative understanding on certain fundamental provisions of the Charter, as otherwise tariff negotiations might well be impeded, particularly in view of the doubt it would cast on the value of the tariff concessions to be exchanged.

Consequently, the United States suggests that all Delegations should be ready to discuss the Draft Charter from the beginning of the Geneva Session.

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(c) It is necessary that the Governments concerned should reach agreement on which of the two procedures mentioned above, they wish to adopt for the Second Session. The present meeting of the Drafting Committee offers an excellent opportunity to do this, and it is suggested that Delegates should consult their Governments on this and the other points dealt with in this communication, and advise the Secretariat accordingly before the end of the present meeting.

(d) A solution to the problem might be found by arranging for each Delegation to include, as from 10 April, officials who could serve on the Tariff Steering Committee mentioned below and who could also, as necessary, discuss and carry to the stage of provisional conclusions such questions relating to the tariff provisions of the Charter as would have to be dealt with in the initial stages of the Session.

2. Stages in the Tariff Negotiations:

(a) In accordance with Section E, Base date for Negotiations, paragraph 3, and Section F, paragraph 1, First Stage, of the Memorandum on Multilateral Trade Agreement Negotiations (Annexure 10 to the Report of the First Session) the preliminary stages of the tariff negotiations at Geneva are now being accomplished. The Secretariat is circulating the information provided for in the referred paragraphs as it is received, and avails itself of this opportunity to urge Members to transmit the data in question whenever they have not already done so.

(b) 10 April

(i) The Tariff Steering Committee, mentioned in paragraph 2, Section F, of the Memorandum, should be set up immediately, to centralize and guide the work on tariff negotiations.

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- (ii) Each Member will submit a schedule of the proposed concessions which it would be prepared to grant to all other members in the light of the concessions it has requested from them. (Section F, paragraph 1 of the Memorandum mentioned above). Delegations will require some time to study the concessions offered by other members.
- (iii) Simultaneously, a Heads of Delegations Committee will presumably be set up to direct the activities of the Second Session, including the tariff negotiations.*
- (iv) Should it be felt that certain parts of the Charter must be agreed at least tentatively before the tariff negotiations can take place on a secure basis, such provisions would be considered by the Preparatory Committee immediately the Second Session begins. This stage of the work may take up to four weeks and - as the initial consideration of the tariff concessions could take less time - it is suggested that tentative tariff negotiations should begin in accordance with Section F, paragraph 1, Third Stage, of the Memorandum, as soon as the Delegations felt they had studied the concessions sufficiently.
- (v) There remains the question of the other parts of the Charter, which could be considered starting 8 May in a general review of the entire Charter, which would be necessary to bring any texts which had been dealt with at the beginning of the Session in line with the rest of the Charter.

* Although Syria is not a member of the Preparatory Committee and, consequently, is not expected to sit on the Committees to be set up to study the Charter, on which - in any case - Lebanon will represent the Syro-Lebanese Customs Union, it is thought reasonable to have Syria on the Heads of Delegations Committee. Otherwise, it would be necessary to divide the work into (1) Charter and (2) Tariffs, in all respects; as the two subjects are so closely interconnected, such a procedure would be undesirable.

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In this connection, and due to the degree of the work already done, it is suggested that the Preparatory Committee may find it convenient not to use a committee structure similar to that which was employed in London, but to avail itself of a system somewhat similar to that which has been used by the Drafting Committee, i.e., to study certain parts of the Charter in plenary session, setting up ad hoc groups and sub-committees to deal with specific questions. This procedure might go far to avoid the unnecessary repetition of discussion and arguments advanced at the First Session.

- (vi) It is expected that by the time the experts on the Delegations have studied the lists of proposed concessions, the Tariff Steering Committee will have planned as far as possible the broad lines of the progress of the negotiations. The Secretariat is preparing statistical material to facilitate such planning. The Tariff Steering Committee should endeavour to schedule meetings in accordance with a rational pattern. Although one hundred and thirty six bilateral combinations are possible, it is obvious that they will not be carried out simultaneously and - further - that a number of them will have very little or no importance. For the rational planning of the negotiations, their relative importance will have to be studied in advance. It is probably that the stage subsequent to the consideration of the original offers, i.e., the stage in which the first bilateral negotiations take place among the more important groupings - including the groups within which modifications of preferences will be discussed - will take at least another month and possibly considerably more, e.g., to the middle or end of June.
- (vii) After this stage in the negotiations, it will probably be necessary for some general review to take place of what has been agreed.

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Since secondary suppliers will not have participated in the negotiations in respect of any product, provision will have to be made for them to consult with principal suppliers and importers.

Such a review, if properly prepared beforehand, should not materially delay the proceedings.

(viii) A further stage will consist of a renewal of negotiations in the course of which principal suppliers will take into account the views of secondary supplies in the light of the comments the latter will have made to them. At this stage, negotiations should take on a more definitive and complete aspect. This stage could be indefinitely prolonged if Delegations endeavoured to strike a perfect balance in their negotiations with each others Government; however, it is expected that Delegations will be interested mainly in the over-all picture which the results of the negotiations will represent for them, and not in its component parts.

(ix) Once a point were reached when substantial and satisfactory agreement had been attained, it would be time to review the clauses of the Charter, in the light of the results of the tariff negotiations, and to consider Items 11, 12, 13 and 15 of the Agenda of the Preparatory Committee at its First Session, which were referred to the Second Session. Once this final consideration of the clauses had taken place and any necessary adjustments been made in the light of the tariff reductions negotiated, there would be final plenary sessions to approve the final report to the Economic and Social Council and to sign the General Agreement on Tariffs and Trade, the terms of which would also have been studied in the course of the Second Session. This final stage should not take much more than a week.

(x) The duration of the Second Session has been unofficially variously estimated at between three to five months; such estimates cannot be concrete insofar as the length of the meeting will depend on the approach of the various Delegations to the problem as a whole.

III.

1. Quite apart from the Charter discussions, in respect of which its role is already well defined, it is proposed that the Secretariat will deal with the following matters, among others, connected with the tariff negotiations at the Second Session:

(a) Service the Tariff Steering Committee mentioned in Section F, paragraph 2, of the Memorandum on Multilateral Trade Agreement Negotiations and any Committee that may be set up to deal with the text of the General Agreement on Tariffs and Trade or any other Committee established in connection with the tariff negotiations.

(b) Provide expert assistance to Delegations in exceptional cases when this is required in order to facilitate the negotiations. Governments anticipating that such assistance may be required, are asked to advise the Secretariat as early as possible since otherwise the staff cannot be made available.

(c) Carry out general liaison among various negotiating groups and provide a central point for confidential information on the progress of the negotiations to be made available to Delegations.

(d) Provide statistical assistance to Delegations, which will facilitate the speedy progress of the negotiations.

(e) Establish a stringent and thorough security service.

(f) Establish an Order of the Day Office and render various purely administrative services in connection with the negotiations.

2. Particulars of a purely administrative nature were dealt with in a letter of 23 January addressed to Delegates to the Drafting Committee, who were requested to advise their Governments accordingly.
