SIXTH COMMITTEE: ORGANIZATION

WORKING PARTY TO STUDY THE QUESTION OF AN
INTERIM COMMISSION FOR THE INTERNATIONAL TRADE ORGANIZATION

Note by the Executive Secretary

It will be necessary at the present Conference to consider what administrative arrangements should be made pending the ratification of the Charter and the establishment of the permanent Organization. A similar problem has confronted the conferences called to establish other specialized agencies and the practice usually followed (e.g. in the case of the FAO, WHO and ILO) has been to establish an interim commission.

The Working Party may, therefore, wish to consider what matters in connection with the ITO require to be provided for pending the establishment of the Organization and to formulate recommendations to Committee VI regarding the creation of an interim commission or other appropriate machinery for the purpose.

The following are the principal matters which would appear to require to be provided for:

(a) The preparation and convening of the first Conference of the Organization. Among other matters which will need to be included in the Agenda are:

(i) proposals as to the programme and budget of the Organization;
(ii) recommendations regarding the Headquarters of the Organization;
(iii) finance and staff regulations.

(b) A draft agreement with the United Nations in accordance with Article 57 of the Charter of the United Nations and with Article 84 of the Draft ITO Charter. It would be in the interests of the Organization that the draft of such an agreement should be ready for consideration at the first Conference and that the interim body should, for this purpose, enter into negotiations with the United Nations.

(c) Similar arrangements for relations with other inter-governmental organizations in accordance with paragraph 2 of Article 84 of the Draft Charter.

/(d) There
(d) There may also be some problems left over from the present Conference for further discussion at the first Conference of the Organization but which require further study in the interim period. These matters could be entrusted to any interim body which might be established by the Conference.

(e) There is also a serious problem regarding the financing of the work relating to the International Trade Organization pending the establishment of the Organization's budget. In this connection, attention is drawn to the attached letter from the Secretary-General of the United Nations to the Executive Secretary.

If the Working Party, after a general discussion of the question, feels that it would be desirable, the Secretariat will submit a draft of an arrangement regarding the establishment of an Interim Commission.
Sir,

I have the honour to draw your attention to the financial implications of action which may be taken by the United Nations Conference on Trade and Employment.

As indicated in my letter of similar reference dated 23 December 1947*, the total estimated cost of financing the Preparatory Committee of the United Nations Conference on Trade and Employment during 1946 and 1947 is $1,450,230. Of this amount $943,491 has been advanced as an interim loan from the Working Capital Fund; the latter amount does not make provision for reimbursement of salaries and related allowances of United Nations staff assigned to the Havana Conference, estimated at approximately $100,000.

Under the General Assembly Resolution respecting the Working Capital Fund (1948) I am authorized to advance from the Fund loans to Specialized Agencies and to Preparatory Commissions of Agencies to be established by inter-governmental agreement under the auspices of the United Nations to finance their work pending receipt by Agencies concerned of sufficient contributions under their own budgets. In making these loans, however, I must obtain the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions for any loan which would increase the balance outstanding in respect of any one Agency to an amount in excess of $1,000,000.

It is essential that I consult the Advisory Committee on Administrative and Budgetary Questions should any additional costs be incurred in 1948 by the present Conference over and above the amount already budgetted. I must further consult the Committee if it is desired that the United Nations should finance any interim or permanent arrangements which the Conference may make until the time when the proposed International Trade Organization becomes self-financing. In considering these matters the Advisory Committee will wish to be informed on the following points:

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* Refers to a communication regarding the expenses of the Preparatory Committee and of the Conference. This will be circulated later.

Eric Wyndham White, Esq.,
Executive Secretary,
United Nations Conference on Trade and Employment,
United Nations Secretariat,
El Capitolio,
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/(a) Is it
(a) Is it contemplated that a preparatory body for an International Trade Organization will be set up?
(b) Would the Member States concerned be willing to make arrangements for the reimbursement of any necessary expenditure to the United Nations, whether or not a Specialized Agency is eventually established?
I should be glad if you would bring this matter to the attention of the Conference. You will no doubt inform me as soon as possible whether any further budgetary allotment is likely to be required by the present Conference in 1948, and in addition, what expenditure is likely up to the time when the proposed ITO becomes self-financing.

I have the honour to be,

Sir,

Your obedient Servant,

(signed) A. W. CORDIER
For the Secretary-General

A. W. Cordier
Executive Assistant to the Secretary-General