SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT.

VERBATIM REPORT.

SEVENTH MEETING OF COMMISSION B

HELD ON TUESDAY, 10 JUNE 1947, AT 2.30 P.M.

IN THE PALAIS DES NATIONS, GENEVA.

The Hon. L.D. WILGRESS (Chairman) (Canada)

Delegates wishing to make corrections in their speeches should address their communications to the Documents Clearance Office, Room 220 (Tel. 2247).
CHAIRMAN: The meeting is called to order.

I wish to apologise for my late arrival, but as the delegations were entertained by the Swiss Federal Council, that explains why the Chairman and one or two other delegates are not quite sharp on time.

Before we take up Article 47, I would like to ask if there is any question that any delegate would like to raise?

The delegate of France.

M. PETER (France) (Interpretation): This morning, Mr. Chairman, we had the first meeting of the drafting sub-committee that was appointed yesterday. We have already made some progress with our work, but we thought it would be a good thing to have one more delegate. I refer to a delegate who has already taken part in the work carried out both in London and at Lake Success - the Netherlands delegate. I think that he can make a useful contribution to our work and that his experience of this question will prove valuable. Therefore, I propose that, in addition to the members that were appointed yesterday to form this sub-committee, the Netherlands delegate be also appointed.

CHAIRMAN: The delegate for the United States.

MR. R.B. SCHWENGER (United States): Mr. Chairman, I am very happy to be able to support that recommendation warmly. As a matter of fact, I had asked for the floor with the idea of making the same suggestion myself, and I am very happy that he did so. Professor de Vries has had experience in that Chapter and this makes it very worth while for use to have him in our sub-committee.

MR. D. CaFlan (United Kingdom): I support that.
MR. J. A. GUERRA (Cuba): I support that also.

CHAIRMAN: The delegate for Brazil.

MR. L. D. MARTINS (Brazil) (Interpretation): Mr. Chairman, I can only support the proposal made by the French delegation to add an extra member to our drafting sub-committee, but one must be aware that there is a rule limiting the number of members in sub-committees and that is being infringed. Therefore, as this rule has been infringed, and in order to have a proper balance between the various parties represented on that committee and not to have more members interested in the production of commodities, I would suggest, in order to have a proper balance within that committee, that we nominate the Indian delegate to be a member of that sub-committee.

CHAIRMAN: I am very sorry that the Brazilian delegate has called attention to the fact that the rule regarding the number in the sub-committee has been infringed.

Yesterday, when I acceded to the request that the delegate of Cuba be added to the sub-committee, I realised fully that we were infringing the rule which has been set by the Steering Committee—that is not a rigid rule, but a rule of convenience, that the number in the sub-committee should not exceed six, because that was found to be a practical working number. I felt that no great harm would be done if the number was increased by one and the delegate of Cuba added. Today when I heard the nomination put forward by the delegate of France and the delegate of the United States that the delegate of the Netherlands should be added, I also felt some relief because, in nominating this sub-committee the Chair had been faced with a very difficult problem.
The great difficulty about this Chapter No. VII dealing with inter-governmental commodity arrangements is that there is such a wealth of experience on this Committee. If we wanted to take advantage of all the wealth of experience on this Committee, we would have to form a sub-committee of ten or twelve members, and that would clearly defeat the purpose for which sub-committees are designed.

Now there is an opportunity for any member of the Committee, who wishes to express to the sub-committee his point of view on any particular subject, to get in touch with the Chairman of the sub-committee and to be given a hearing, but I would strongly urge that the number on the sub-committee be restricted to a workable number. Now, I do not know what that workable number is. The Steering Committee indicated that six was a workable number. Yesterday, we allowed the rule to be infringed by adding one and making it seven, and I think we might even stretch it to eight, but when it comes to nine I feel we are getting a little out of balance. Therefore, I would like to have further views of the Commission before we definitely decide upon this question.
Mr. GUERRA (Cuba): Mr. Chairman, I do not have any priority for judging what the right number for any particular Sub-Committee should be; but on the basis of the experience we had in London, working on this same Chapter, I would be inclined to support very strongly the inclusion both of the Representative of the Netherlands and the Representative of India. In London we had a Sub-Committee of nine countries, and if I am not mistaken it would be, with these two inclusions, exactly the same Delegations represented as were in London.

The experience we had there was that, when the work of the Sub-Committee came to the plenary session, the problem had been so well discussed and the difficulty thrashed out that the result was there was very little discussion in regard to Chapter VII as it came out from the Sub-Committee. Here we are having now a more restricted discussion in the Commission of the problems involved, and notwithstanding the fact that we consider the Sub-Committee as a Drafting Committee, nevertheless the question involves in many cases such very important matters of substance that we had experience that would be very definite when we take up the discussion again in the plenary discussion of the difficulties, and agreements are reached as far as possible.

So on the basis of the experience I will support the inclusion of both the Delegate of the Netherlands and the Delegate of India.

Mr. CAPLAN (United Kingdom): Well, I do not want to speak in that capacity, Mr. Chairman, because it would be too invidious for me to say what I think the Committee should consist of.
Just speaking as an ordinary Member of our Committee here, I would say that this question arises at every Conference. This is the tenth international conference which I have attended in the last nine months, and it always arises. It is a most invidious question to have to be dealt with. That does not mean that I do not sympathise with the views the other Delegates have expressed; being ready to support Professor de Vries, I personally say leave out personal considerations, but that we do know that the Professor has been intimately and personally connected with the development of this Chapter. That, you can say, is a very invidious way of looking at it, but I think it can be defended. I was thinking of adding Professor de Vries in an advisory capacity.

I am not sure whether our Chairman this afternoon is quite right—it is a very fine point to say eight is enough, and nine too many; but there is nothing to stop any Member of a Commission, from any Delegation, being present at the meetings of the Sub-Committee, without the right, as such, to speak to any and every point; and I am sure that there is no reason why, if a Delegate feels very strongly on a point that is of particular concern, he should not ask for permission to speak to that. He has the opportunity of hearing what is going on, and can put his views in writing if it is a critical point. But we must see that most of the work referred to the Drafting Committee is work of drafting.

We are not referring the great major mass of problems to that Committee. If we are, it changes completely my understanding of its work. So I would suggest that the Commission this afternoon should support the view of its Chairman, and say that eight representatives are as many as we should have for this work.

The work of that Committee will come back, it will have to be argued again, and if any Delegate has had a real point of substance to deal with he still has the right to raise it when the Report of the Drafting Committee comes back.
CHAIRMAN: The Delegate of India.

Mr. Habib I. RAHIMTOOLA (India): Mr. Chairman, I wish I had had an opportunity of making my statement a little earlier; it might have prevented some of the remarks that have been made. I am most grateful to the Delegate of Brazil and the Delegate of Cuba; but we have never been very keen to come on to this committee, and in due deference to your wishes in the matter, I would like to state that we would like to stand down. We quite realize that the most important part of this Committee’s duties will be in the speedy dispatch of the work, and so long as we have an opportunity of attending the meetings on items which we consider important, that will satisfy our needs.

CHAIRMAN: I wish to thank very much the Delegate of India for the very commendable spirit he has shown, and I wish to assure him that so far as the Chair is concerned, I should have been only too happy to see India represented on this sub-Committee. But we are faced with a very difficult task of choosing a sub-Committee that is representative of all points of view expressed in the Commission, and, at the same time, a workable number.

I think the Steering Committee are quite right in deciding that the number should be six; but in view of the intricate character of the work we have to deal with in this Chapter, and in view of the wealth of experience that we have on this Commission—representatives who have worked before on this Chapter and who have a fund of experience to contribute to the work of the sub-Committee—I think we are perhaps justified in going beyond the number six that was established by the Steering Committee. But when we go beyond eight, I think we are really getting a little too far, and if the nomination of India had come seventh or eighth I would have
been very pleased to see the Delegate of India included; but when this nomination came ninth, I became a little alarmed.

I appreciate greatly the help that the Chairman has received from the Delegate of the United Kingdom, in pointing out the need for keeping the number of the sub-Committee down to a workable number; but I think it would be wrong to derive the impression that this is just a Drafting Committee. The instructions that we received from the Steering Committee were that after the Commission had dealt with each section of the Charter, it should establish a sub-Committee to reconcile differences in views, and that that sub-Committee should be representative of the various points of view. That is the main task of the sub-Committee, although it also has the very important task of drafting and putting into a form that will be acceptable to the majority of the Members of the Commission, the various Articles of the Charter with which the sub-Committee has to deal.

I think the sub-Committee that we have established is a representative one. It contains four countries in Europe and four countries outside of Europe. There are other Delegations interested in a number of special points that arise in connection with the amendments that have been proposed, and I think it would be the duty of the sub-Committee to call representatives of those Delegations in when those points are discussed. That particularly applies to the Delegation of India. The Delegation of India has raised a number of points in regard to this Chapter, and when the sub-Committee come to consider those points I think it is essential (I am sure it would have occurred to the sub-Committee itself) that they invite a representative of the Indian Delegation to come before them and take part freely in the discussion of those particular points. In that way, we would have the benefit of the advice and the experience which the Delegation of India has to contribute, and, at the same time, keep the number of the sub-Committee down to a workable number. I therefore hope that
the Commission will approve the addition to the number on the sub-Committee of Dr. de Vries of the Netherlands Delegation, and that we will be able to confine the number on the sub-Committee to eight. Is that approved? (Agreed).

The Delegate of the Netherlands.
Mr. Chairman, I feel obliged to thank you and many members of this Commission for the kind words you have spoken to me. As you well pointed out, Mr. Chairman, this Sub-Committee has, as its main task, to reconcile points of view, and you put me in the place of consumer countries for the Netherlands in Europe, but I have to reconcile the points of view myself because I am representing myself, not only the Netherlands in Europe, including the Belgo-Luxembourg Union who are consumers of natural products, but also producing countries in Asia, Africa and America. So I think if I can be of any use in the reconciliation of points of view I will do my best.

CHAIRMAN: We will now pass on to our Agenda. We take up Article 48. The first item on our Agenda concerns paragraph 1. The New Zealand delegation proposes the deletion of the word "primary" in the third line. There is a similar proposal of the New Zealand delegation in relation to Article 49. I would therefore propose, if the New Zealand delegate agrees, that we consider both of these proposals at the same time.

Mr. G.D.L. WHITE (New Zealand): Mr. Chairman, after hearing about the wealth of experience which we have assembled in this room this afternoon, I feel very diffident about proposing anything at all, particularly about proposing the deletion of some words which have already been passed through the deliberations of our experts for approval. However, we have here a criticism of this Chapter and it involves, as you say, an amendment to Article 48 and to Article 49, and this is an amendment to which I attach a little bit of importance. Our position is that we are, in general, in favour of leaving the door open to the conclusion of agreements for non-

Dr. E. de VRIES (Netherlands):
primary commodities. Now, the deliberations of this Commission have not progressed far enough to know exactly where we stand as regards regulatory and non-regulatory agreements, but if I might take the present text and refer to some later Articles, we will find that Article 52 (c) states that the regulatory agreement can be made for a non-primary commodity but only in certain circumstances, that is when, in addition to the circumstances set out in 52 (a) and 52 (b), that is conditions of burdensome surplus or widespread unemployment — in addition to those circumstances, if the ITO finds that some special circumstances justify such action, well then the door is open to the formation of an agreement about a non-primary commodity. We have some amendments before us which propose the deletion of this Article 52 (c), but for the moment I would prefer to assume that that sub-paragraph is allowed to remain in the Chapter. Although the field is limited in Article 52 (c) for forming regulatory agreements for non-primary commodities, there is nothing, as far as I can see, which prevents a non-regulatory agreement for a non-primary commodity, provided that such agreements are governed by the general principle applicable to all agreements. That is the principle which is at present set out in Article 51.

Now this being so, our delegation does not see that the procedure for study groups and conferences in Articles 48 and 49, should be limited to primary commodities only. We envisage that a study group and a conference could lead to a non-regulatory agreement or, in the more limited circumstances of Article 52 (c), it could lead to a regulatory agreement for a non-primary commodity that and that sort of action could achieve some of the objectives of Article 47 where we are setting out our general objectives of intergovernmental commodity arrangements. So that, if those sorts
of arrangements are to be permitted, we feel that it is illogical to exclude non-primary commodities from Articles 48 and 49 where we set up study groups and have commodity conferences. We have not proposed the deletion of the word "primary" from Article 50, in which it also appears, and in which it mentions our relation with intergovernmental organizations and we have not proposed the deletion at that stage because we have not got any specific intergovernmental organizations in mind which are dealing now with primary commodities. But if organizations of that nature are likely to be set up in future, I think it would be a good case for deleting the word "primary" from Article 50 also, but we have not put that suggestion forward and we would be glad to hear the views of any other delegation on that question after it has been determined whether our amendments to Articles 48 and 49 are acceptable.
CHAIRMAN: The Delegation of China.

Dr. T.T. CHANG (China): Mr. Chairman, the Chinese Delegation shares the view expressed by the New Zealand Delegation and would like to support their proposal to delete the word "primary" from the third line of the first paragraph of Article 48, as well as from Paragraph 1 of Article 49.

CHAIRMAN: The Delegation of Canada.

Mr. J.J. DEUTSCH (Canada): Mr. Chairman, the proposal of the New Zealand Delegation would make a very fundamental change in the whole conception of this Chapter. The whole Chapter, in a sense, is an exception from the other provisions of this Charter, an exception which would allow the use of certain quotas, controls and regulations which are prohibited elsewhere in the Charter.

The reasons for this exception are stated in this Chapter itself. We say that there are particular difficulties surrounding the trade of primary commodities, special difficulties – special difficulties of price fluctuation, development of surpluses and over-production, and so on – which cannot be dealt with by the normal forces of the market and which, if not dealt with, will lead to certain difficulties harmful to international trade, and that these problems are peculiar to primary commodities, or at least the problems are more severe in the case of primary commodities than they are in the case of manufactured goods generally.

For that reason it was thought proper that primary commodities should be dealt with in a special way. The proposal by the New Zealand Delegation would seem to deny
this entire item, would seem to deny the entire purpose of the Chapter. I think that is a very fundamental change and an undesirable one, because it will change the character, not only of this Chapter but of the whole Charter. It would introduce another very large escape clause into all the undertakings that are put elsewhere in this Charter. For that reason, Mr. Chairman, I would not support the New Zealand proposal.
CHAIRMAN: The delegate of Cuba.

Mr. J.A. GUERRA (Cuba): Mr. Chairman, the Cuban delegation shares the view expressed just now by the delegate from Canada but, while in entire agreement with him regarding the effects of the amendment proposed by the New Zealand Delegation, we nevertheless find a very logical justification for the substance of the amendment in the sense that in Article 52 (c) we have recognised that in conformity with the general character of the Chapter, the Organization may in special exceptional circumstances authorise the agreements regarding commodities which are not primary. In that sense the New Zealand proposal is justified to the extent that in paragraph (c) of Article 52 there is only the general declaration that "the Organization finds that..." but there is no procedure stated whereby the Organization will make the determination. To that extent the substance of the New Zealand amendment will be justified if it is only limited to Articles 48 and 49 because the effect will only be to make studies of the commodity, and that will be a very logical step to make: not being a primary commodity, it will be a case contemplated under 52 (c)...

But we agree that the substance is justified. We think the proper thing to do will be to make some reference to the procedure by which the Organization will make the determination regarding the exceptional cases contemplated in (c) of Article 52, but not to drop the word from Articles 48 and 49 or any others because, as the Canadian delegate pointed out, that will in fact change to a very great extent, if not in the specific effect of this specific amendment, nevertheless will change the general approach and appearance of the Chapter in the sense that if the Chapter were contemplated in a general way it would appear to give the possibility of making agreements for commodities which are not primary. Therefore we are against the proposal of the New Zealand delegation in its present form but we think that their
case may be met by making some amendment under Article 52 (c) to provide for some procedure whereby the Organization will make a determination regarding such consequent cases in which the agreement may be justified for non-primary commodities.

CHAIRMAN: The delegate of the United Kingdom.

Mr. D. CAPLAN (United Kingdom): Only to say this, Mr. Chairman: I think there is a point here which looks like having to be ironed a bit. We are a Committee here, I think, of enthusiasts, because we are all of us in love with Chapter VII; but I think the delegate of Canada has done us a great service in reminding us – as I am sure we all need to be reminded – that Chapter VII is the seventh chapter in a Charter; it is not a document on its own, and I do support strongly what the Canadian delegate has said about the implication of the New Zealand proposal. But, apart from that, if we were to accept the New Zealand proposal it would necessitate most substantial re-drafting to other parts of this Chapter 7. Article 46, I think, would lose its real significance. And the whole point, if one looks closely at 52 (c), is that it stresses – and rightly – the very exceptional character of the circumstances and it requires a determination by the Organization of such circumstances before you would apply Chapter VII to a non-primary commodity.

So I am afraid that I find myself also unable to support the New Zealand proposal.
M. PETER (France) (Interpretation): The French delegation entertains the same concern as the New Zealand delegate, and in particular I am now thinking of the case of steel. It may happen that some day an inter-governmental arrangement appears desirable as regards steel, and while iron ore can be considered as a primary commodity, it would appear difficult to introduce steel as being a primary commodity.

Therefore, on the substance I agree with the contention of the New Zealand delegate, but at the same time I should like to refer to paragraph (o) of Article 52. Like other colleagues who have spoken before me, I think that it is likely to meet the desires of the New Zealand delegation, with a few slight amendments. I therefore agree as regards the substance of the idea expressed by the New Zealand delegation, but I think that their amendment can be rejected as regards its form, and that concerning its substance we can revert to it when we take up the discussion of Article 52 (o).

DR. E. de VRIES (Netherlands): Mr. Chairman, as far as I can see the difficulties for the New Zealand delegation derive from the re-drafting in New York of Article 60 on the definition of primary commodities.

According to the London draft a non-primary commodity could be called a primary commodity. Now, we have a new draft on primary commodities and I think that is the basic reason why the difficulties arise now.

I should like to join the several delegates who are putting it before us that we ought to deal with these non-primary commodities
under Article 52(c), and I think that the determinations which are asked for in Article 52(c) are dealt with in Article 66, paragraph that is, Article 52 is mentioned in Article 66, so that we have it already in the Charter. I think that a slight addition in Article 52(c), saying that not only the principles but also the provisions in the Chapter shall be followed in the case of non-primary commodities, might suit the New Zealand delegation. In that case, we might have a Study Group who will make recommendations to a commodity conference as to what we want for a non-primary commodity by inserting the words "and provision" after the word "principles" in Article 52(c).

CHAIRMAN: Will the delegate of New Zealand reply to the various suggestions which have been put forward?

MR. G.D.L. WHITE (New Zealand): Mr. Chairman, in the first place I would like it to be clear that our purpose in putting forward this amendment was not, somehow or other, to widen the escape from Chapter V.

It seemed to us that if there were to be any agreements about non-primary commodities at all, they would definitely have to conform with the provisions of Chapter VII, and that would be sufficient to assure that any unjustified escape from the provisions of Chapter V could not enter into the matter.

As regards the proposal to accommodate our suggestion under Article 52(c), that seems to me a rather peculiar way of going about it, because if Article 52(c) remains in some form or another with a limited scope governing the use of a regulatory agreement about a non-primary commodity, I cannot imagine how that agreement is set in motion, unless you do have a commodity study group or commodity conferences to initiate the thing in the proper style, which you do for your other commodities.
There is one further point that I am not quite clear on as a result of this debate, and that is that although the provisions of Article 52 (c) as they stand at the moment are quite clear about non-primary commodities, I still do not see that the non-regulatory agreement about a non-primary commodity is excluded from this Chapter; and I appreciate the point made by the Delegate of Canada, that Articles 46 and 47 set out the circumstances which necessitate commodity agreements; but even he had to admit that it was merely a matter of degree - that these special difficulties were not entirely inapplicable to non-primary commodities. He said they were more severe; and therefore, I think that the Chapter as it stands still leaves scope for agreement about non-primary commodities, and that it seems strange, therefore, to exclude primary commodities from Articles 48 and 49.

CHAIRMAN: The Delegate of Canada.

Mr. DEUTSCH (Canada): Mr. Chairman, as has been pointed out, the Chapter does contain a provision for agreements on non-primary commodities in exceptional circumstances, namely sub-paragraph (c) of Article 52. As the Delegate of Cuba has pointed out, it may be desirable in cases where exceptional circumstances justify an agreement on a non-primary commodity, that the procedure leading up to the agreement might be the same as that of Articles 48 and 49. I think that is something that can be fixed on in the drafting of sub-paragraph (c) of Article 52. At present that sub-paragraph states, the last sentence, that agreements under this sub-paragraph "shall be governed not only by the principles set forth in this Chapter" - in other words, the agreements are to be set up under the principles of this Chapter.

Now the procedure leading up to these agreements could also be the same as in this Chapter. That does not alter the main
argument, however, that agreements on non-primary commodities are exceptional cases, and not general cases, and that is where we differ fundamentally.

I think the New Zealand Delegate is inclined to feel that agreements for non-primary commodities should not be dealt with as an exceptional matter. There I differ with him fundamentally; but as far as dealing with them as an exceptional case is concerned I think it can be made clear that the procedure as now laid down should govern that case also.

CHAIRMAN: The Delegate of Cuba.

Mr. GUERRA (Cuba): I associate myself entirely with the remarks made by the Delegate of Canada, and I want to make clear, to the extent that the Amendment proposed by New Zealand can be made clear, that in the procedure on part of the exceptional cases we would be in favour of making a change in Article 52(c); but as the Canadian Delegate said, there is a fundamental difference in conception regarding non-regulatory agreement on non-primary commodities, as a general rule. That difference will be fundamental and will not be supported by Cuba.

CHAIRMAN: If I may sum up the discussion on this point, it appears to the Chair that the majority of Delegates who have spoken on this question are opposed to the New Zealand proposal that the word "primary" should be deleted in the first paragraph of Article 48 and the first paragraph of Article 49; but they are of the view that the relation of the Chapter to non-primary products should be covered by Article 52(c), and that when we come to examine Article 52(c) we should endeavour to see if the procedures envisaged in the Chapter should also be made to apply to non-primary products.
If the New Zealand Delegate is in agreement, we could refer this question to the Sub-Committee to be examined in relation to Article 52(c). If, however, the New Zealand Delegate wishes to persist in his proposal that the word "primary" should be deleted from Articles 49 and 48, I then feel it will be necessary for us to put the question to a vote, in order to obtain the sense of the Commission regarding this particular question.

I would therefore ask the New Zealand Delegate if he would be content to have the matter referred to a Sub-Committee, or whether he wishes to have the matter put to the vote?
CHAIRMAN: The Delegate of New Zealand.

Mr. G.D.L. WHITE (New Zealand): Mr. Chairman, I would be very glad to see this question handled by the sub-Committee, but I would suggest that the sub-Committee also give some thought to the question that I have raised as to the fact that Article 52(c) comes in a section that is all about regulatory agreements, and the sub-Committee should also consider the position of non-primary commodities as regards non-regulatory agreements.

CHAIRMAN: I thank you. I think we can refer this matter to the sub-Committee and ask them to examine this question not only in relation to Article 52(c) but also, in considering the re-arrangement of the Chapter, to consider the relationship of non-primary products to non-regulatory agreements. Would that be satisfactory?

Mr. G.D.L. WHITE (New Zealand): Yes, Mr. Chairman.

CHAIRMAN: Is that agreed? (Agreed)

We now pass to a proposal of the United States Delegation with regard to paragraph 1. I would like to ask the United States Delegation to explain the purposes of this proposal, and whether it relates to a question of drafting or whether any questions of principle are involved.

Mr. R.B. SCHWENGER (United States): Mr. Chairman, this proposed change in Article 48 was intended to be a drafting change to bring the wording in line with such changes as were made by this Commission in Article 46. Those of you who were at London will remember that the words "special difficulties" were put in at a late stage in the drafting of this Article, specifically
to refer to Article 46, and that these changes were made by us at the same time as we proposed a change in Article 46.

CHAIRMAN: The Delegate of the United Kingdom.

Mr. D. CAPLAN (United Kingdom): I think it is a drafting improvement.

CHAIRMAN: The Delegate of Cuba.

Mr. J.A. GUERRA (Cuba): We feel the same way.

CHAIRMAN: After these remarks, is the Commission agreed that the United States proposed text should be referred to the sub-Committee for further study?

Mr. G.D.L. WHITE (New Zealand): Mr. Chairman, I would just like to make one remark. I am not quite happy that Article 46 covers all the circumstances in which we might wish to set up a commodity study group. I think that the circumstances of Article 46 are understood to apply in the first paragraph of Article 48; but I am not quite sure that Article 46 covers all possible cases, and I do not support this amendment because I do not quite see the necessity for it.

CHAIRMAN: Any other observations? If not, I take it that it is agreed that the United States proposal be referred to a sub-Committee.

(Agreed)

Paragraph 2. We have a proposal of the United Kingdom Delegation which is a revised text of paragraph 2. Would the United Kingdom Delegate please explain the reasons for his proposal?
Mr. D. Caplan (United Kingdom): As in the previous cases when dealing with an amendment to Article 48 which applies to Article 49, you will notice that the United Kingdom suggest a comparable amendment for Article 49 (2) as well as Article 48 (2). We sent round our paper which everybody has seen and which gave, I hope, a clear explanation of the reason for this suggestion. What it really comes to is this, that we think that the right principle when you are trying to secure the widest possible measure of international co-operation on commodity problems, is to leave it to each country to determine whether that country itself has a sufficient interest to wish to participate in whatever form of international co-operation arises at that point. I do not think I need say any more, Mr. Chairman.

Chairman: The Delegate of France.
Mr. PETER (France) (interpretation): Mr. Chairman, I would like to support the amendment suggested by the United Kingdom delegation. The purpose of this amendment is to make it possible for all members interested in a particular question to participate in the particular study group appointed for that purpose. I do not think that it would be possible to leave it to the Organization to determine what member states should be invited. Every state, I think, that is substantially interested in a particular question should be in a position to participate, and it appears necessary not to leave aside or forget any member.

I would like to give a practical example. Last November a study group for the study of rubber met at The Hague, and at the end of the meeting the Netherlands government sent a letter to all the United Nations asking them whether they would be interested in taking part in the conference, which was going to meet in Paris the next month. The replies that were received by the Netherlands government were communicated to the French government, which invited all the states that desired to take part; that is to say, all the states that declared that they were interested in the question. This procedure has proved satisfactory to everybody. For these reasons, I support the United Kingdom amendment.

Mr. J.J. DEUTSCH (Canada): Mr. Chairman, I also support the United Kingdom amendment. I would like, however, some explanation of the last sentence: "Non-members may also be similarly invited". Does that mean that all non-members who consider that they have an interest in the commodity will be invited? That may mean a certain amount of difficulty if it follows that every non-member may be invited if he wishes to come.
Mr. D. CAPIT (United Kingdom): Mr. Chairman, if I might answer that question, my attention had been drawn to this point by a number of other delegates. We had in mind, of course, that if the Organization decided that that was the best way of doing it, that was quite a good idea, but we do see that the word "similarly" gives rise to difficulty, and we would be very happy ourselves to see the word "similarly" dropped.

Dr. T.T. CHANG (China): Mr. Chairman, in this case I would prefer the retention of the last sentence of the original text, that is to say "Non-members having a similar interest may also be invited".

Dr. E. de VRIES (Netherlands): Up to now no delegation has spoken against the United Kingdom proposal, so may be I may ask for the floor now. I am glad that the French delegate mentioned the actual implication by the Netherlands government, to invite all the members of the United Nations for the conference on rubber. But I think in this case the word "study group" is ambiguous. What is meant here by a study group is to start a study group on commodities. Such is not the case with rubber.

Mr. D. CAPIT (United Kingdom): It is a study group. Mr. Peter used the word "conference" inadvertently.

Dr. de VRIES (Netherlands): Mr. Chairman, this only makes my point stronger that the word "study group" here is an ambiguous word. It means a permanent body meeting once, twice or three times a year. A study group mentioned in article 48 means a study group started and then given over to an organization and then to a conference. Here I think it is almost the same thing as you
mentioned so rightly yesterday and today. If you have a Working Committee with too many members you cannot go far, and I think that it is a very good thing to send invitations to all the members for a conference. As far as it goes to any negotiations, to any agreement or arrangement, I should think we ought to invite everybody, but I doubt very much whether it would be necessary to invite all the members of the United Nations or of the ITO for the study of any commodity. There are many problems that are regional in character, and I do not see that it is necessary to invite all the members. That just means that the organization has to cyclostyle an invitation and send it to about sixty governments and they have to consider whether they are interested or not. But if you consider the possibility that there would be a study group on, say, coffee, and sixty members would attend it, I think it would be better to leave the study to, say, ten or twelve or at the most fifteen most interested nations. As regards negotiations, I think we ought to invite everybody, but as I say it is only a matter of procedure that the study can go on in a quick way and that we do not have to wait a year or more for the report of a study group.
CHAIRMAN: The Delegate of Cuba.

Mr. J.A. GUERRA (Cuba): Mr. Chairman, with the final sentence amended in the form suggested by the Delegate of China, keeping the New York text, we support the amendment proposed by the United Kingdom Delegation.

We think that the difficulties referred to by the Delegate for the Netherlands are real ones but in practice they would be found not to exist at all, in the sense that, if a particular country does not have an interest strong enough or large enough to justify sending people out of the country, spending money and time in making a study, it is only natural that that country will not send them. If there is an invitation extended to every country, a workable plan will automatically come out of the interests which the countries may have in the Study Group.

We think the amendment proposed by the United Kingdom is a rather important one because, as the text stands now, we give the Organisation the task of determining the special difficulties without giving any criteria by which to judge whether or not a country will be substantially interested. Those are very fine words, but very vague ones. We either have to try to give the Organisation a very definite criterion to try to define what the substantial interest is, or leave it entirely in the air, and in many cases countries may be deprived of the right to participate in a Study Group in which they may be very much interested. Therefore we think that the only way out will be to invite everybody and then they will automatically fall out if their interest is not a substantial one.

CHAIRMAN: The Delegate of the United States.
Mr. R.B. SCHWENGAR (United States): Mr. Chairman, I find myself somewhat in the middle on this argument and I wonder if it might not be well at this stage — as perhaps you have been eager to do in any case — to ask the Drafting Committee to try to modify the proposal somewhat, so as to avoid both of two rather serious difficulties on each side of the problem. If I may, I would just like to outline them as we see them, on the basis of this discussion and re-consideration of this proposal.

In practice, as has very well been said by other Delegations, it is quite necessary to invite any country which, after full consideration of the nature of the group that is being brought together, wishes to participate for reasons of substantial interest.

On the other hand, I believe there should be some criterion in this Article to indicate that that is the idea, that a country invited to come in should decide for itself whether it has a substantial interest, rather than whether it has just an interest. That may be of some assistance in the application of this Article, even for those countries, it seems to me.

I seem to remember that in London we tried to graduate the degree of participation, from Study Group to conference, to final Commodity Agreement, and this was our effort to start out with a small group of the countries with the greatest degree of interest, since obviously a sine qua non of any agreement would be some degree of understanding about the matter between countries on the two sides — importers and exporters — with the greatest degree of interest.
It is not extremely useful, at that stage of discussions, for countries with a rather small interest — however real and important it may be to them — to take a very active part, but at any rate they should be welcomed if they feel they have a substantial interest.

The whole wording, I think, had some of that idea, perhaps, intended to be hidden rather than expressed in it. It says: "... the Organization shall promptly invite the Members substantially interested..."; it does not say, "shall decide which they are." Presumably we shall have to decide in order to invite them. I believe it has become a general practice to decide by asking them. That is the practice which we have used. But I do believe that it is useful to put in some words of criteria such as the words "substantially interested", even though the decision may rest with the Government which is going to be invited.
Concerning the last sentence, I agree with the point of view expressed by the Canadian delegate, but I am not sure that it is met by dropping "similarly", but that is a drafting question. We have some suggestions on that which I would like to submit to the Committee afterwards.

CHAIRMAN:  The delegate of the United Kingdom.

MR. D. CaPLm N (United Kingdom):  Mr. Chairman, after eight hours of discussion, which have brought the Commission to Article 48, paragraph 2, I hesitate to prolong the discussion on this particular point.  I do so, because there are two points that are worrying me.  The first is that I think the discussion on this particular point has been somewhat unreal.  In connection with this I would like to make one or two general remarks, with your permission, if I am not out of order.  We must not lose sight of the fact that Chapter VII has a very special position today in the world.  Unlike the rest of the Charter, it is being applied as a general guide, not merely by the nations represented on the Preparatory Committee, but by all the members of the Economic and Social Council.  That was shown by the results of the Economic and Social Council at its session last March.

For my part, since I have to deal with commodity problems and I go from one commodity conference or study group to another, I thought that I was very 'happily married' to Chapter VII in practical life.  I must say that in the light of a lot of the discussion, I am beginning to wonder whether I have not been 'living in sin' for a very long time.

Let us take some specific cases which are important, because there are specific cases of events which are taking place using
Chapter VII as a general guide.

Sixty-two invitations were sent out to nations, Members of the United Nations and one or two who were almost Members, for the Tin Study Group meeting which was held in Brussels last April. Twelve countries accepted membership of the Study Group and attended that meeting, and another five were present as observers. Does that show, Mr. Chairman, good sense on the part of countries when they have the freedom of entry to a study group, or does it show that we are likely to have to operate study groups with sixty-two nations present?

Another case in point is the one which has been mentioned by Monsieur Peter about the Rubber Study Group. Have sixty-two nations said they are going to be present at Paris next week? I believe that the latest figure is that some twenty had indicated their desire to be present, of which a number have said that they wish to attend this first meeting as observers. It is by no means certain that twenty of them will wish to join permanently.

Therefore, I do make this appeal to my colleagues. Because there is obvious room for improvement in the Chapter as it is before us, we must not lose sight of the practical existence of arrangements which are already in full conformity with the basic spirit of this Chapter VII, which commands the support of many more nations than are represented on the Preparatory Committee. We have a living thing there.

I am not suggesting that we limit our discussion to the Second Session in any way. Any country which feels strongly, and has a real point which will represent an improvement if put into effect by the Commission, should put it forward, but I do appeal to my colleagues on the Committee to keep in mind that there are practical arrangements going on already and that there is a whole corpus of study and consultation being built up.
To come back to Article 48, to which the United Kingdom proposed this amendment, I believe that we can challenge this principle and allow every member to appoint representatives at the initial moment of the formation of a study group, and, as subsequently explained by our amendment, that is the point in calling a commodity conference. If we allow to be present those who feel they ought to be, we can count on the good sense of governments. Governments do not send delegations to conferences unnecessarily - they cost money, they cost man-power. I, myself, have the utmost confidence in the good sense of all governments not to abuse what may seem an unusually wide principle. Rather do I feel, Mr. Chairman, that if we have this right of entry we are sowing the seeds of fruitful international co-operation.

Of course, not every study group may end quickly in an international commodity conference. I hope, for my own part that they do not, otherwise we would have a terrible job trying to negotiate so many commodity agreements, but they have the value of having all these countries who are genuinely interested working together studying practical problems, and that represents a most important and positive provision under Chapter VII of the Charter.
CHAIRMAN: We have now had seven speeches on this question. I think it is an important question - an important question of principle is involved here - but I think we have had enough discussion to indicate the differences of view between the various members of the Commission. The majority of those who have spoken support the United Kingdom Amendment, that is, they support the principle underlying the Amendment that it should be left to the members themselves to decide who are substantially interested in the problems referring to any particular commodity, rather than that the Organisation should have to decide that question.

The opposite point of view is represented by the Delegation of the Netherlands, and a middle course is rather taken by the United States Delegate, but I take it that he is rather inclined to the view expressed by the United Kingdom in proposing this Amendment.

I do not think much purpose will be served by further discussing this point here, and I therefore think it could be referred to the Sub-Committee with a view to seeing if the differences in view between the Delegate of the Netherlands and the other Delegates could not be resolved in the Sub-Committee.

Agreed? Agreed.

We now come to paragraph 3 of Article 48. We have a revised text proposed by the Delegation of the United Kingdom. I ask the Delegate of the United Kingdom to explain the purposes of this proposal.

Mr. CAPLAN (United Kingdom): Perhaps I ought first to explain that it has been pointed out to me that the force of this paragraph, in the first sentence, may be misunderstood, because it talks about reporting to the Governments represented on it, but not to the Organisation.
That is a drafting omission. I apologise to the Commission. We should have inserted the words "represented upon it and to the Organisation"; but that, of course, is a point of drafting, and does not affect the general proposal.

Now I think that Mr. Chairman — judging from the remarks made to-day — he would take the view that this is a substantial amendment on the original Article 48, paragraph 3; and I think on reflection that I must admit that that perhaps is the case.

We have envisaged study groups in the United Kingdom, and in the practical sphere of those study groups, which have been in existence for some time past now — as being bodies which although, in the first place, they are called together to consider a problem which looks like presenting the special difficulties envisaged under this Chapter — they have discovered, as a result of their study, that there is not going to be those special difficulties for at least some time to come.

We must bear in mind here, of course, that we are dealing with a very difficult post-war period, when conditions in many primary commodities are very unusual because of wartime development and disturbances.

If I might quote a specific example, we have got a tin study group in existence, and when the nations were discussing all together whether they could study the problem of tin, they certainly thought they ought to; because during the war tin was a commodity which gave rise to special difficulties, and it looked to them at the time as if tin were again going to give rise to special difficulty.

As a result of statistical and factual studies made by the study group, the nations have agreed that there was going to be a surplus problem in tin. Because so much damage was done to the tin mining areas of the world, and the world damage is so large, it is going to be a long time before the supply of tin will, in fact, come into burdensome surplus.

But in the opinion of the United Kingdom, that does not mean that the tin study group should pack its bags and go home, never to return again until a crisis threatens.
We do feel, in putting forward this proposal providing for the continuing life of the Study Groups, even though they do not report that a great crisis is coming, is a most important and positive direction to give to the original Chapter VII. The Delegate of Cuba has outlined his opinions on this subject and I believe the Delegate of Brazil had something similar in mind; but we do not envisage all Study Groups as automatically leading to commodity conferences which then lead to commodity agreements. Rather is it that we all believe in the Study Group as a means of international co-operation for making sure that a commodity which it is felt may give trouble (it has given trouble in the past) is kept under review. There is the basis for an exchange of views between the nations, and so I make no apologies for putting forward on behalf of the United Kingdom Delegation this new version of Article 48 (3).

CHAIRMAN: The Delegate of Australia.

Mr. W.T. DOIG (Australia): The Australian Delegation considers that the substantial amendment proposed by the United Kingdom Delegation does further emphasise a rather negative approach to this question of Study Groups and commodity conferences and commodity agreements. I want to make only a few brief remarks at this stage, but to talk later on the United Kingdom amendment to Article 49, which we also oppose for the same reasons.

To emphasise in this paragraph that the difficulties must be so serious that they are unlikely to be overcome, etc., we consider does not take into account the fact that this section applies not only to regulatory agreements, but also to the non-regulatory or the agreements of a minor regulatory character. It may well be that certain difficulties exist, or are expected
to arise, which may not be considered so serious as this particular text suggests, but in the circumstances it may be considered necessary and desirable by the Study Group or by a conference to take some form of inter-governmental action which could be classed as a non-regulatory agreement. We therefore oppose this section and emphasise that we are in favour of the present draft of Article 48 (3) subject only to minor drafting amendments.
Mr. J.*. GUERRA (Cuba): Mr. Chairman, we completely share the point of view expressed by the delegate for Australia, and we consider that the British amendment will involve a very substantial change of substance. The delegate for Australia has called our attention to the negative approach to the problem when the British amendment emphasised the seriousness of the situation, and he has very well explained how that will come into conflict with the point of view taken by the Commission in general regarding the more flexible provision for non-regulatory agreements. As regards regulatory agreements, we want to draw the attention of the Commission that already very strict conditions of circumstances have been set up in Article 54 for regulatory agreements, and we do not think it is necessary to continue to make the conditions and circumstances in which some agreements would be justified. We want to add - to point out another aspect of the British amendment. We think it involves a very substantial change in the character of the study group. We have conceived the study groups at the London meeting and, up to now, as a fact-finding binding body to investigate the situation, to see what the trade conditions are and so forth as the New York text explains. But now it was felt that the decision regarding whether intergovernmental action is called for by the situation, should be left to the conference, and also what form that intergovernmental action should take, would be a matter to be dealt with by this conference. As we understand it, the British amendment involves a transfer of functions to an extent that it gives to the study group the authority to recommend. This, of course, is only a recommendation but will always carry a great deal of weight whether intergovernmental action is called for or not. And not only that, but what form that intergovernmental action should take. In fact,
we take this amendment, together with the other one that we supported, because we think that for a study group which is a fact-finding body there would be no danger in inviting everybody, but now if we take the amendment to paragraph 2 together with paragraph 3, the effect, from our point of view, would be to nullify the conference and transform the study groups in the real conference. They will study a point but, for all practical purposes, will make decisions as to whether intergovernmental action should be called for and as to what form that intergovernmental action should take. Therefore we very strongly oppose the British amendment to paragraph 3 and we, together with the Australian delegation, support the maintenance of paragraph 3 of the present text.

CHAIRMAN: We have now heard the speech of the United Kingdom delegate explaining the reasons behind his proposal, and we also had speeches from two members of the Commission opposing the United Kingdom amendment. Does any member wish to speak in favour of the United Kingdom proposal?
If not, I will move that the United Kingdom proposal be referred to the Sub-committee, where an attempt can be made to reconcile the points of view existing between the various Delegations.

We now pass to Article 49, Document 7/178. We have a proposal by the Indian Delegation, suggesting that in Paragraph 1, after the words "a Member having a substantial interest", the following words be inserted: "or at the request of a competent inter-governmental organization."

Since this amendment refers to relations with inter-governmental organizations, I would suggest that it be taken up when we come to Article 50, if the Indian Delegation agrees.

Mr. Habib L. RAHIMPOOL (India): We agree.

CHAIRMAN: Thank you.

The United Kingdom Delegation proposes a new wording for Paragraph 1. Will the United Kingdom Delegation explain the reasons for this proposal.

Mr. D. CAPLAIN (United Kingdom): I think, in the light of the discussion on the previous amendment, the best thing I can suggest, Mr. Chairman, for your consideration and for the consideration of the Commission, is that we do refer this to the Drafting Committee, because apparently much the same point of psychological difference is involved here and I do not really think we can fruitfully argue about Article 49(1) without some relation to 48(3), as the Australian Delegate rightly pointed out. If the Commission is agreeable, I think that is the best course.
CHAIRMAN: It is proposed that the United Kingdom re-wording of this paragraph be referred to the Sub-committee. Is that agreed?

(Agreed).

The next point also seems to be purely a drafting point and therefore I would suggest that it also be referred to the Sub-committee. Is that agreed?

(Agreed).

We now come to Paragraph 2. The United Kingdom also have a proposal for a substitute wording for Paragraph 2 of the New York text. This also seems to involve a point which we have already discussed and perhaps it could be referred to the Sub-committee without further discussion. Is that agreed?

(Agreed).

We now come to Article 50 - Relations with inter-governmental organizations. There are a number of proposals in relation to this article, and also certain other comments and proposals which we have held over until we reached this Article.

I would first call attention to the General Note on this Article. The United Kingdom Delegation raises for consideration the transfer of this article to the Section on Miscellaneous Provisions. Since that concerns the general question of the re-arrangement of the Chapter, I propose that that should be referred to the Sub-committee without further discussion. Is that agreed?

(Agreed).
I think we can now take up the comments of the French Delegation, which appear on Page 1 of Document W/157/Rev.1, relating to functions of specialized agencies in relation to commodity arrangements.

The Delegate of France.

M. PETER (France) (Interpretation): I should like to point out, Mr. Chairman, that this is not an amendment to any Article of the Charter, but only a wish expressed by the French Delegation to set out in the Report of the Preparatory Committee a number of rules regarding the method.

In the last few months, when reading the agenda of certain conferences or Study Groups, we found that there was some lack of precision regarding the respective functions of various inter-governmental organizations and that certain criticism was made against this fact. Therefore we are of the opinion that in the future it would be preferable to avoid conflicting competences as between inter-governmental organizations.

The French Delegation is of the opinion that there should be some authority to determine the competence of each of the organizations, and we think that this authority should be the Economic and Social Council, which could determine exactly the limit of competence of each organization. This, I think, would make it possible to avoid unpleasant conflicts and also facilitate the work of the Conference's concerned.

CHAIRMAN: I will call now upon the Observer of the Food and Agriculture Organization, Mr. Yates.
Mr. P. L. Yates (F.A.O.): Thank you, Mr. Chairman.

In this matter I would say that the Food and Agriculture Organization would, of course, be very happy to inform the Economic and Social Council of whatever distribution of responsibilities may be agreed as between FAO and ITO when the latter is established, and would welcome the comments of the Economic and Social Council on that matter.

I would like to point out that this question of distribution of functions between inter-governmental agencies is one which has occurred in several cases already and, under the Charter of the United Nations, is envisaged as being dealt with in an inter-agency agreement. For example, FAO is just now in process of negotiating an inter-agency agreement with the International Labour Organization, under which machinery will be established for the amicable allocation of work which may lie on the frontiers of the spheres of competence of the two organizations.

We have a number of subjects in which both FAO and ILO have an interest and we are creating procedures for seeing that there is no duplication of work in those frontier subjects.
Similarly, it is envisaged under Article 81, paragraph 2 of the International Trade Organization Draft Charter that the International Trade Organization shall conclude working agreements with other inter-governmental organizations operating in related fields. I feel confident, that when the time comes no difficulties will be encountered in drawing up such an agreement between the Food and Agriculture Organization and the International Trade Organization.

It is, of course, proper that the Economic and Social Council should desire to review the agreements which are so concluded and if the French comment can be interpreted as meaning this, then it is one which should surely receive our general support.

CHAIRMAN: In view of the remarks of the representative of the Food and Agriculture Organization, does the French delegate still wish to maintain his suggestion that reference be made in the report of the Preparatory Committee regarding this subject?

M. PETER (France) (Interpretation): Mr. Chairman, I am quite satisfied with the explanations just given by the Observer of the Food and Agricultural Organization, and I thank him. I think we agree on these various points.

What my delegation wishes is that provisions should be made for the settlement of conflicts, if any, in the future. I agree with the representative of the Food and Agricultural Organization that if any such conflict should arise in the future, the Economic and Social Council should be competent to solve it.

I shall be satisfied if a mention of this short discussion that has just taken place is made in the report of the Preparatory Commission.
CHAIRMAN: Is that agreed?
Agreed.
We will now take up the Indian amendment to Article 49, paragraph 1, referring to the considerations of this Article. The Indian amendment is that after the words "a Member having a substantial interest" insert the following words "or at the request of a competent inter-governmental organization".

The delegate of India.

MR. H.I. RAHIMTOOLA (India): Mr. Chairman, our main purpose in moving this amendment is to widen its scope. Commodity conferences are only a means of inter-governmental consultation, and we feel that a competent inter-governmental organization, if it should make a request to the International Trade Organization, should also have the force of having an inter-governmental conference called. I think it is self explanatory, and I do not wish to take up any more time, Sir.
CHAIRMAN: The Delegate of the Netherlands.

Mr. DE VRIES (Netherlands): Mr. Chairman, the Netherlands Delegation proposed in Article 50 (Item (4)) of this annotated Agenda an addition in about the same words as the Indian Amendment. But at the same time our Delegation saw that the Australian Delegation had an Amendment in the same sense, and it seems to us that the Australian Amendment is a better one. The Netherlands Delegation therefore withdraws its own Amendment in favour of the Australian Amendment.

CHAIRMAN: The Delegate of Cuba.

Mr. GUERRA (Cuba): Mr. Chairman, we are in a position where we can neither support the Indian Amendment nor the Australian nor the Netherlands Delegation’s Amendment. This same subject was very extensively discussed in London, and later in New York, when we dealt with Article 50; and the approach that the Committee had to this question of the competent inter-Governmental organisation was very carefully graduated in the sense of giving those organisations as a right the possibility of asking for studies of the commodities or submitting studies regarding the difficulties of a particular commodity; but then the decision as regards the convening of a Conference and the action to be taken was regarded as being a matter proper for the organisation itself.

This question, in fact, is very much involved with the working agreement between the different organisations to which the Representative of FAO referred a short while ago, and I think that if we adopt any of these three Amendments, then the decision - the fundamental question regarding the agreements which is the decision to convene a Conference to take action on them - will, in
fact, be to a very great extent taken away from the ITO and given to other organisations.

We accept that the Organisation, taking into consideration the special experience that the other competent agencies may have, thinks it is a good thing to give them the right to ask for a study of the commodity and to submit any studies they themselves have made; but that the question of the action to be taken in a particular product should be a question that should rest in the hands of the Organisation.

If we could adopt any of these amendments, the effect will be to restrict from the start the scope of the arrangement that can be made with those other competent inter-Governmental organisations, because they will, in fact, be entitled to take part as a right in one of the meetings upon the main decisions to be taken regarding inter-Governmental commodity agreements. That is the reason why we thought that the graduation of this Organisation could be appropriately set up in the present draft of Article 50, and any other aspect that is not adequately covered by that Article could be a matter to be arranged. That is, any voluntary agreement or arrangement that may be worked out between the ITO and any other Organisation.

From that, to go to the point of giving these organisations already the right to intervene in a very decisive question, we really feel should not be done; and we would be already creating a lot of difficulties and overlappings and duplications that the remarks made by the Delegate for France called attention to; and that the Representative for FAO's question would be a matter to be arranged voluntarily between the two organisations with the approval or whatever action may be taken by the Economic and Social Council.

CHAIRMAN: The Delegate of Canada.
Mr. J.J. DEUTSCH (Canada): Mr. Chairman, I should like to associate myself with the remarks made by the Delegate of Cuba. I think the initiative for calling a conference should be retained in one place; otherwise there is danger of duplication and a certain amount of friction and that would be undesirable. If it should prove desirable in the future to provide that initiative in some precise manner, then that could be worked out in the working agreement to which the observer of the P.O. has referred, but simply to say that both can take the initiative seems to me to give rise to the danger of friction in this field.

Mr. W.T. DOIG (Australia): Mr. Chairman, we consider that such an amendment as we propose would, in fact, rather facilitate consultation between specialised agencies, and would help to reduce to a minimum the sort of duplication which we think, as a member of the F.A.O., might result from the functions and responsibilities which both of these Organisations will have.

Now, I would like to speak briefly on a few points of detail. First of all, one Member, having a substantial interest in the trade, may ask that a conference be called. It might be considered that an intergovernmental agency ought to have at least a status equal to an individual member of one intergovernmental organisation. Secondly, if I remember rightly, the Food and Agricultural Organisation already has the right on its own initiative to call commodity conferences. Thirdly, if any intergovernmental organisation requests the I.T.O. to call a commodity conference, there is no obligation on the part of I.T.O. to follow that action, and it seems to us that this simply represents a form of consultation...
between two agencies, which is not entirely one-sided, having regard to the fact that there is already in existence a particular specialised agency with a constitution and which has already set up Study Groups, has proceeded with the study of a number of primary commodities, and which will undoubtedly provide a great deal of valuable data for the International Trade Organisation.

We fear very much that if this form of consultation between the I.T.O. and the F.A.O. does not allow a two-way traffic in the sense that the F.A.O., having made a study of a commodity, should be in a position to request the International Trade Organisation that on the basis of its findings a commodity conference should be called—I want to emphasize that point, that we cannot accept the view that this will lead to a duplication of effort, because it is quite clear that certain administrative action must fall within the competence of the International Trade Organisation. I have no doubt that F.A.O. recognizes that also. We feel, therefore, that the acceptance of this amendment which we propose would, rather than present a situation leading to duplication of effort, on the contrary help to reduce it to a minimum.
Mr. S.J. de SWANST (South Africa): Mr. Chairman, I feel that before we get entangled with the words which we want to write in 49 and 50 about the place of FAO or other intergovernmental organizations, we should be clear as to what exactly we want. It has been said that in Article 49 (1) the right is given to a member having a substantial interest in a commodity to request the conference to be held. That is quite right, but I cannot help feeling that it is also going a bit too far, and it is for the same reason that I support the idea that the organization should decide whether a conference is to be held or not. I do not think there should be any doubt as to who decides whether a conference is to be held. I feel that it is important that, after a study group has made a report and the evidence has been reviewed, that it should be the organization which decides. It should neither be a member nor any other intergovernmental organization that has the right to call a conference, and for that reason I would like to connect these two ideas, when they are considered in Committee, that the right of a member to ask for a conference should be removed so as to get away from difficulties which the representative of Australia has brought up that we already wish to deny a right which is given to a member. In Article 50 it says that it should be quite competent for the FAO to submit a study that has already been made. Now, I notice in the amendment suggested by the United Kingdom delegation that the object is to deny that privilege because their amendment reads: "The organization ...... may request any intergovernmental organization...." Now the way I see it, that is going too far again. Let it be quite clear that FAO has the right to submit a study already made to ITO. After all, it is a study submitted by it as the product of the representatives of the governments. It is
not just the organization, it is the representatives of the governments in the same way as any study group composed by the ITO could have made the study. In the second place, FAO is already a going concern and it has a starting time on the ITO. I do not see any reason why it should not carry on where necessary with that work and when it is completed, have the full right to submit it to the ITO for consideration. But then we come to the stage as to whether a conference is to be held or not. There I say let the ITO decide on the conference and the nature of the conference. Why I am speaking, Mr. Chairman, for that reason I prefer the amendment of New Zealand which I think covers adequately both points. It says that the organization shall have the right to ask for the study of primary commodities to be made. It can ask if it does not feel in a position to take the initiative, and secondly if it should have made one on its own initiative, it shall have the right to submit to the organization any relevant study of a primary commodity.
CHAIRMAN: The Delegate of the United States.

Mr. R.B. SCHWENGER (United States): Mr. Chairman, without going into the merits of the question, which has been fully discussed, I wonder if I might suggest that it seems to us that much of the difference would be resolved - in the sense of the balance of the two extremes, as expressed by the Delegation for South Africa - by using the Australian proposal as to a change of the word "request", which seems to carry a force that may not be estimated in exactly the same way by all of us, to something like "recommend" or "suggest", so that it would read: "and on the basis thereof, to recommend the Organization to convene...". If that were more generally acceptable than the order suggested by the New Zealand Delegation, that is, (b) (a) rather than (a) (b), it would probably be more logical.

CHAIRMAN: The Observer of the FAO.

Mr. Yates (F.A.O.): Mr. Chairman, it would not be proper for me to intervene on the substance of what has been discussed, but I would perhaps like to offer a point of explanation, perhaps of clarification.

The intention, as I understood it, of the Australian amendment was precisely to help in this problem of dealing with different spheres of responsibility. It may not be too happily worded - perhaps the United States proposal achieves a happier wording - but what I understood was that the Food and Agriculture Organization, or whatever other agency might be responsible, if it had sponsored a Study Group if that Study Group had findings which were sufficiently unanimous or of a large majority nature to make it quite clear what the
Governments represented on the Group desired, would transmit those findings to the ITO, with a recommendation for action, and presumably that recommendation would have been written not by FAO but by the Governments taking part in the Study Group in question. I think that is what the thought behind the transmission of the recommendation naturally would be.

As I see it, in order to clear up the question of who is responsible for convening commodity conferences, this amendment seems to me to clarify the issue successfully. It says — and FAO would be quite happy to accept that suggestion — that whilst FAO goes up to the point of a Study Group, if a Study Group requires the next stage to be undertaken, namely, the calling of a commodity conference, that is fundamentally a job for the ITO, and at that stage the whole procedure would pass over to the ITO to carry the matter further.

I think there is a distinction here and that may, of course, have caused the confusion between the language of Paragraph 1 of Article 49, which is mandatory — at any rate in the present draft — and the language of Article 50, which, as I understood the request, was not mandatory, but it may have been so read. I think it would be a mistake to make it mandatory, but if we leave it in Article 50 with some such word as the United States Delegate proposes, it seems to me to suggest that another inter-governmental organization should hand over to the ITO when the calling of a conference becomes the order of the day, and it leaves it to the ITO
when the calling of a conference becomes the order of the day, and it leaves it to the ITO to take the final decision whether such a conference should be called.

CHAIRMAN: I would like to draw the attention of Members of the Commission to the fact that it is already 6.20 p.m. We have had eight speeches on the general questions raised in Article 50. I have three more speakers on my list and I can see other Members of the Commission are desirous of intervening in the debate, so I think it would be appropriate to break off at this time, because the questions raised in this Article are important. Tomorrow we can resume at this point and have a further general debate on all the proposals which have been submitted on Article 50 before we decide to refer those proposals to the Sub-committee.
Before we adjourn, however, we have to decide the important question of the time of the next meeting.

Tomorrow, there is a meeting of Commission A for 2.30. Therefore, if we hold our meeting in the afternoon, it will not be possible for us to have a verbatim record of our debates, because it is not possible for the Secretariat to service two full meetings of the Commissions at the same time. The Secretariat, however, would be able to provide a summary record of the discussion, but in order that we may dispense with the verbatim record it will be necessary to have the unanimous consent of the Commission.

The alternatives to holding a meeting in the afternoon, are, first of all, to hold a meeting in the morning, in which case we would probably conflict with the Tariff Negotiations and certain meetings of the sub-committee, or else to hold a meeting in the evening. I leave it to the Commission to decide which of the three possible projects they would prefer. I point out that if it is the afternoon meeting it must have the unanimous consent of the Commission.

The Secretariat has also advised me that, according to the regulations of the Steering Committee, unanimous consent would also be required for a morning meeting.

MR. J.A. GUERRA (Cuba): Mr. Chairman, I suggest that if there is no objection from the other delegates the easiest course to take would be to hold the meeting in the afternoon and have only a summary record taken.

CHAIRMAN: Are there any objections to meeting tomorrow afternoon?
MR. G.D.L. WHITE (New Zealand): Mr. Chairman, I think that the verbatim records are valuable, so that if there is no difficulty in meeting in the morning, I wonder whether that proposition could be put to the Committee first?

CHAIRMAN: Has any member of the Commission an objection to meeting tomorrow morning?

(Objection)

There is an objection. Is there any objection to meeting tomorrow afternoon?

(Objection)

Yes. Under those conditions, I see no alternative but to meet in the evening.
Mr. D. CAPLAN (United Kingdom): No objection, Mr. Chairman.

M. J.A. GUERRA (Cuba): I suggest that the matter be decided by the Chairman.

CHAIRMAN: I would say that a morning meeting and an afternoon meeting requires unanimous consent. An evening meeting does not.

Dr. E. de VRIES (Netherlands): Mr. Chairman, I ask for the floor not exactly to make an objection to have the meeting tomorrow morning. I just want to point out that in the morning when we start at 10.30 we only have two hours, and in the afternoon we have four hours for our discussions. If in the morning there is a meeting of this Commission, in the afternoon we might have a meeting of the Subcommittee of this Commission in order to proceed with the work. If that can be arranged I have no objection.

CHAIRMAN: The Steering Committee are very anxious that we should avoid morning meetings in order not to conflict with the tariff negotiations. Therefore, unless there is any objection to our dispensing with the verbatim record and contenting ourselves with a summary record, I propose that the meeting be held tomorrow afternoon at 2.30.

No objection?

Dr. T.T. CHANG: China: There is objection from the delegation of China because we are not sure whether we can provide representation tomorrow afternoon.

CHAIRMAN: Does the delegate of China propose an evening meeting?

Dr. T.T. CHANG (China): I have no objection to that.
Mr. D. CAPLAN (United Kingdom): Mr. Chairman, is it in order for a member of the Commission to object to the holding of a meeting on the grounds that he cannot dispense with the verbatim account of the meeting which he now informs us that he cannot attend? I think there is a point of order there. I do not think the Chinese delegate is in order in objecting to the holding of a meeting on one ground when his real objection is that he cannot be present.

Dr. T.T. CHANG (China): It is because we have the same delegate for Commission A tomorrow afternoon and for this Commission. But I do not want to inconvenience the Commission. If it is the opinion of all the others to meet tomorrow afternoon, maybe we have to provide representation in some other way.

CHAIRMAN: I hope it will be possible for the Chinese delegation to arrange representation at both Commission A and Commission B, and I take it that he does not object to dispensing with the verbatim record of Commission B. Therefore I propose that the meeting be held in this room tomorrow afternoon at 2.30.

The meeting is adjourned.

(The meeting rose at 6.30 p.m.)