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

NEW YORK - JANUARY-FEBRUARY 1947

CONTENTS

PART I ................ Introduction

PART II ............ Draft Charter and Commentary

Chapter I .......... Purposes (E/PC/T/C.6/99)

Chapter II ........ Membership (E/PC/T/C.6/100)

Chapter III .... Employment, Effective Demand and Economic Activity (E/PC/T/C.6/95/Rev.1)

Chapter IV ....... Economic Development (E/PC/T/C.6/101)

Chapter V ......... General Commercial Policy (E/PC/T/C.6/97)

Chapter VI ........ Restrictive Business Practices (E/PC/T/C.6/98)

Chapter VII ....... Inter-Governmental Commodity Arrangements (E/PC/T/0/6/103)

Chapter VIII .... Organization (E/PC/T/C.6/104)

Annexure A ........ List of Territories referred to in Sub-paragraphs (2) (a) (ii) of Article 14 (E/PC/T/C.6/97/Add.1)

Annexure B ........ First Report of the Administrative Sub-Committee (E/PC/T/C.6/62)

PART III .......... General Agreement on Tariffs and Trade (E/PC/T/C.6/85/Rev.1)

ANNEXURES ...... 1. Resolution Regarding the Appointment of the Drafting Committee (E/PC/T/29) (London Document)

2. Agenda of the Drafting Committee (E/PC/T/C.6/1)

3. List of Delegates to the Drafting Committee (E/PC/T/C.6/77/Rev.1)

NOTE: 1. Names of countries appear in the mimeographed report but will be deleted from the printed report.

2. There has been some question of printing separately the text of the General Agreement on Tariffs and Trade; it has been found that this will not be possible, so the text of the Agreement will appear as Part III of the printed report.

3. The printed report will be prepared in accordance with the decisions reached by the Drafting Committee at its meeting on 15 February 1947.
REPORT OF THE DRAFTING COMMITTEE OF THE PREPARATORY COMMITTEE OF THE UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT

PART I

INTRODUCTION

1. At its First Session held in London in October and November 1946, the Preparatory Committee adopted a resolution establishing a Drafting Committee. The resolution, after stating that it was desirable that further drafting be done upon the basis of the work carried out at the First Session of the Preparatory Committee before the commencement of the Second Session, directed the Drafting Committee composed of representatives of the members of the Preparatory Committee to meet in New York from 20 January 1947 and to complete its preparation of a report for consideration at the Second Session no later than 28 February 1947. It was resolved that it would be the function of the Drafting Committee to prepare a Draft Charter or Articles of Agreement based upon the report and other documents of the First Session, editing for clarity and consistency the portions of the text on which the Preparatory Committee came to a substantial identity of views, preparing alternative drafts of those portions on which there remained a division of general views and preparing suggested drafts covering such uncompleted portions as were referred to it by the Preparatory Committee, together with such explanatory notes and commentaries as the Drafting Committee might consider desirable and useful.

2. The Drafting Committee was convened at the headquarters of the United Nations, Lake Success, New York, on 20 January 1947 and concluded

* Whenevert the words First Session or Second Session are mentioned the first or second Session of the Preparatory Committee is understood.

** Whenever the word "Charter" standing alone is used in this Report, it refers to the Charter as drafted by the Drafting Committee; when other texts or the Charter of the United Nations are referred to, the full title is given.

By retaining the title of "Charter", the Drafting Committee did not intend to indicate that it approved or disapproved of the use of this term. This is a point which may need to be considered at a later stage.
its work on...February 1947, having held a total of...meetings.

Representatives from all the members of the Preparatory Committee attended, with the exception of the Union of Soviet Socialist Republics which stated that it was not in a position to take part in the work of the Drafting Committee. Colombia and Mexico sent representatives to observe the proceedings, in which the representatives of the Food and Agriculture Organization, the International Labour Organization, the International Bank for Reconstruction and Development and the International Monetary Fund actively participated.

3. The Drafting Committee availed itself of the Rules of Procedure of the First Session and worked according to the following plan. An examination of the text of each Article of the Charter drafted at the First Session was first made in plenary session together with any amendments introduced by delegates or suggested by the Secretariat. During this examination, a new text of each Article that had been amended was established and reproduced by the Secretariat for second reading a few days later. After each Article had been examined a second time in plenary session, the text then agreed was referred to a Legal Drafting Sub-Committee. Finally, all texts were again examined when the draft Report was approved.

4. The procedure outlined above was followed with most of the Articles of the Charter. However, to deal with Articles for which no detailed and generally agreed text had been established at the First Session, the Drafting Committee decided to constitute at an early stage of its work sub-committees to prepare texts for examination by the Drafting Committee at a later stage. Thus, a Technical Sub-Committee to prepare drafts of Articles 15 to 23 inclusive and Article 37 was set up, and an Administrative Sub-Committee which worked upon Articles 1, 2, 64, 68 and 72 to 77 inclusive. Apart from preparing a draft Charter, the Drafting Committee was charged with providing a more detailed draft of the General Agreement on Tariffs and Trade, based upon the outline drafted at the First Session. For this
purpose a Sub-Committee on Tariff Procedures was established. Although the
sub-committees were of restricted membership, all delegates to the Drafting
Committee were accorded the right to participate in the proceedings of the
sub-committees at any time and frequently availed themselves of this facility.
In addition, in a number of cases, the Drafting Committee established ad hoc
sub-committees to deal with specific points.

5. In view of the technical and detailed nature of the work performed by
the Drafting Committee, all of its meetings were held in private. The Public,
however, was kept informed of the work being done by means of press releases
arranged by the Secretariat, which gave a press conference at the close of the
meeting. It was agreed that the Report of the Drafting Committee should be
classified as a restricted document not for publication until such time as
the Preparatory Committee itself might decide otherwise.

6. The officials of the Drafting Committee were:

Chairman: Mr. Erik Colban (Norway)
Vice-Chairman: Mr. B. N. Adarkar (India)

Administrative Sub-Committee:
Chairman: Dr. G. Alamilla (Cuba)

Legal Drafting Sub-Committee:
Chairman: Mr. A. Kojeve (France)

Tariff Procedures Sub-Committee:
Chairman: Mr. B. N. Adarkar (India)

Technical Sub-Committee:
Chairman: Mr. R. J. Shackle (United Kingdom)

7. Purely editing changes are normally not mentioned in the Commentary
contained in Part II of this Report. Square brackets have been used to
enclose wording the adoption of which is left for future consideration.
Reservations made at the First Session and maintained at the Drafting Committee
are mentioned accordingly in the Commentary.

/8. Although
8. Although the terms of reference of the Drafting Committee did not require it to discuss arrangements for and procedures at the Second Session, it was felt that the Committee provided a convenient ground for further exchanges of views on this question between governments. Accordingly, a discussion of arrangements and procedures was carried out and informal agreements reached which it is hoped will materially assist the members of the Preparatory Committee in making their plans for the Second Session.