UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL

PREPARATORY COMMITTEE

of the

INTERNATIONAL CONFERENCE ON TRADE AND EMPLOYMENT.

Verbatim Report

of the

SECOND MEETING

of

COMMITTEE V

held at

Church House, Westminster, S.W.1.

on

Friday, 25th October, 1946

at 3.0 p.m.

CHAIRMAN: Mr Lynn R. Edminster (U.S.A.)

(From the Shorthand Notes of W.B. Gurney, Sons & Funnell, 58, Victoria Street, Westminster, S.W.1.)
THE CHAIRMAN: I shall first call on the Secretary of the Committee to make some remarks with reference to the documents which have been distributed.

THE SECRETARY: I just wish to explain that one or two members of the Committee had asked the Secretariat if they could be provided with copies of the Charter of the United Nations and the Final Acts or the Constitutions of various other specialized agencies. We have therefore endeavoured to get a set of these documents together and to make one set available to each member of the Committee. The folder which you will find in front of you is a folder containing these documents. In one or two cases the set is not quite complete, but we are endeavours to get additional copies and will make those available to those delegations which have not already received them.

MR HOUTMAN (Belgium): (interpretation): Mr Chairman, I wish to call your attention to the possibility of having the documents both in French and in English at the same time. It is indeed difficult for us, because we are working in the French language, if we have not the French document before us.

THE SECRETARY: I should have apologised for the fact that some documents are not available in French. We had to rely on His Majesty's Stationery Office for some of the documents, and they are not always printed in French. However, we will do our best to get French copies for the French-speaking members of the Committee.

MR HOUTMAN (Belgium): (interpretation): Thank you.

THE CHAIRMAN: I presume that the Delegates have had ample opportunity by now to consider the Agenda which was distributed at the first meeting, together with the notes subsequently circulated by the Secretariat. On the basis of this Agenda, the procedure would be for the Committee to examine the relevant provisions of the United States draft Charter, along with any modifications thereof or additional or alternative provisions which may be suggested by Delegates, or which may emerge as a result of the work of other
Committees. Are there any comments or suggestions at this point with reference to that agenda? I am referring now to the agenda, and not to the suggested order of discussion.

MR SCHWENGER (U.S.A.): Mr Chairman, before we go to the question that you opened, I wonder if I am correct in the assumption that we have. This Committee is a technical committee, perhaps as technical as any others, and am I correct in assuming that any of our technical people, as well as the Delegates at the table, may be free to speak on technical questions that arise?

THE CHAIRMAN: That, of course, is a matter for the Committee to decide. I may say, however, that at the other Committees which I have attended that has been, I believe, in all cases agreed to, and I should hope that the same procedure might be agreed to with reference to the work of this Committee; but it is for the Committee to decide.

I hear no objection. I now call for comments, if any, upon the Provisional Agenda which was distributed.

In the absence of any comments, I assume that the agenda is provisionally accepted as a working document, on the understanding, of course, that it can be modified or added to at any time, at the pleasure of this Committee.

Before proceeding with the real business of the Committee, which is to consider the provisions of the Charter having to do with organisation, I think I should refer very briefly to a meeting which was held yesterday, there being present the Heads of the various Delegations and the Chairmen of the various Committees, at which consideration was given to the form in which the work of the various Committees of this Conference might be expected to emerge. That question was put, and certain suggestions were made, and the Chairmen of the various Committees were called upon to comment with reference to the relationship of the suggested form of our work to the matters within the jurisdiction of the respective Committees.

No doubt some of the members of this Committee are familiar by this time with the suggestions made yesterday. The feeling seemed to be (though
I do not know that I can say that there was a formal agreement) that the work of the Conference would properly take the form first of a summary of the discussions which occurred in the Conference, in the light of the Resolution of the Economic and Social Council. That would be a factual summary of the proceedings of the Conference.

Secondly, there would be the instructions to an Interim Drafting Committee which it is expected would be set up by the Conference, and those instructions would probably cover instructions with reference to the actual draft provisions with regard to matters on which agreement had been arrived at, and also perhaps the drafting of alternative provisions where there was not agreement.

Thirdly, there would be an appendix, which would include the United States draft Charter and, based upon that, as a starting point, the various comments, suggestions and proposed amendments that had grown out of the consideration of the Charter in the various Committees, and it was expected that that appendix III would be particularly helpful to the Interim Drafting Committee.

I was asked, as I say, to comment on that from the point of view of Committee-V. I was unable to say definitely, of course, how our work will proceed, but I suggested that it appeared that we would be able to break up our work in terms of the three categories which I mentioned the other day, namely, first those provisions of a purely routine character, on which I said that I hoped that we would be able to arrive at agreement rather easily, and therefore would be able to suggest the actual draft. Secondly, those provisions which were more controversial in character, but not greatly dependent on the outcome of the work of the other Committees, and I said that I hoped that we would be able to suggest drafts on those matters on which we were agreed, and perhaps alternative drafts where/were not in agreement. Finally, with reference to the third category, namely, those provisions of a controversial character, the terms of which would have to await the outcome of the discussions in the other Committees: I again suggested
that we might eventually be able to suggest drafts of those provisions on which there was eventual agreement, and possibly also alternative drafts where there was not agreement.

I want to assure you that what I said was of a very provisional and tentative character, inasmuch as I realise that this committee has not yet itself decided on the order of its discussion, nor has it formally agreed that we should take up our business in terms of the categories which I mentioned.

The next order of business would be a consideration of the proposed order of business. I should like to enquire, first, whether the Committee feels that the division of our work in terms of the three general categories indicated, is satisfactory. It is upon that basis that this Proposed Order of Business has been prepared.

In the absence of comments, I take it that that is approved.

That would bring us, then, to Item 7 on the Provisional Agenda, as the first item of our discussion.

Mr Bury (Australia): Mr Chairman, there are actually two provisional Agenda which have been circulated: one is a document put out in the same order as the beginning of your United States draft Charter, and the other by the Secretariat. When you say "Item 7", are we following the agenda put out by the Secretariat?

The Chairman: Yes. I referred to that as the Proposed Order of Business. That is the headline; and it is the first item on the Proposed Order of Business put out by the Secretariat, but it is equivalent to Item 7 on the Agenda.

I ought to say that it seems to me that we would make better progress if we were to bear in mind at the outset that all of our discussion on these items is provisional, and that any agreement that we may reach with reference to the terms or text of any provision has of course the provision that any member of the Committee will be free at any time while this Committee is in existence to move that we go back and reconsider.

Mr Halik (India): I see that the 69th article of the Charter, regarding
the appointment of the Deputy Directors General, provides that these officers will be appointed by the Director General. We have no very strong feelings on this point, but it did just occur to me that these officers are going to be very important officers, and it may be worth considering whether their appointments should not at least be subject to the approval of the Executive Board.

MR. HOLBAN (Norway): It seems to me that the Delegate of India has raised a question of detail concerning the Secretariat. I would ask to be allowed to make some general remarks on the whole problem of the Secretariat. We are these days setting up one important, highly-staffed international Secretariat after another, and it would be a great help to us in our work on our own Secretariat to know exactly whether the necessary coordination of all these international Secretariats has been provided for. Such matters of detail as the use of interpreters, translators, stenographers, clerical staff, arrangements for the housing of the meetings, etc. etc. are, if not co-ordinated, liable to involve extremely heavy expenditure, and although we are still living to a certain extent under the war practice of spending money rather recklessly, I think it is high time to be extremely careful to avoid unnecessary expenditure. For this reason I would like to suggest that our Secretariat should try to give us as much information on co-ordination of the different international Secretariats, which are already in existence or which are contemplated, as possible. That is one point.

As to our own Secretariat, I would also like to make quite a general remark. I do not attack any draft, but I feel that we must co-ordinate with the organisation of the Economic and Social Council itself. We must know exactly what steps the Economic and Social Council has taken or contemplates taking for dealing with exactly the same problems, on a high level, as our organisation is supposed to deal with, so as to avoid unnecessary duplication of work, and perhaps conflicts that may lead to unfortunate results. Thirdly, I would like to touch upon the point raised by the Indian Delegate, that the Deputy Directors General should have their appointments at least subject to the approval of the Executive Board. As he said, he did not attach very great importance to this point.
I do not attach very great importance to it, either, but I think that this point must be solved in the light of the reply we got on my two previous questions: What are the steps taken, or contemplated to be taken, in order to co-ordinate all our international Secretariats; and, secondly, what are the steps taken, or contemplated to be taken, to co-ordinate our Secretariat with the Secretariat and the work of the Economic and Social Council?

Personally, if I should express rather a hasty opinion, I would like to give the Director General of our organisation a much more decisive position than under the United States draft. I would be happy to have the Director General and such staff as may be required, leaving it to experience to show how everything should be organized.

Mr Chairman, these are my quite general remarks, and I repeat that this is in no way to be taken as meaning that I do not agree to the text submitted by the United States Delegation. I only ask questions in order to understand it more clearly.
Mr. Pierce (Canada): Mr. Chairman, the Article under consideration provides that there will be three or more Deputy Directors-General, and Article 6 in paragraph 2 specifies their duties. It seems to us that there is a possibility that these provisions may give rise to practical difficulties in administration, since the Deputy Directors-General might with some justification under the present draft feel that their powers and responsibilities flowed directly from the Charter, rather than from the Director-General. One way of meeting the difficulties would be by adding the words, after the provision for the appointment, "and responsible to him".

But there is another alternative which is perhaps preferable, since at the same time it meets the point raised by the Norwegian delegate, and that is, to omit any specific reference to the Deputy Directors-General and merely provide that the Director-General has power to appoint them to represent him on Commissions or for such other purposes as he may fit.

We might note in this connection that in the United Nations Charter it was not considered necessary to make specific provision for the appointment of Deputies; it was left to the Secretary-General, although he has in practice, of course, appointed them.

The Chairman: Before proceeding further with the discussion of this matter of the Deputy-Directors-General I want to refer to the general remarks of the delegate of Norway with reference to the Secretariat. He made some comments on the relationship of the proposed Secretariat of the I.T.O. to the Secretariat of the United Nations, and made some inquiries with reference to that whole matter. I suggest
that we might request the Secretary of this Committee to look into that matter and to report, either orally or in writing, at our next meeting. Would that be satisfactory?

MR. COLEAN (Norway): Perfectly.

MR. BURY (Australia): In doing that, Mr. Chairman, I should like to give the very strongest support of Australia to the remarks made by the representative of Norway. My Government will hope to see eventually very much closer relationships between the Secretariat of the United Nations on the economic side and the Secretariat of the I.T.O. than now exist in the case of the Monetary Fund and International Bank, or have existed so far. We are particularly impressed with both the cost of separate organizations, which employ staffs to do in many cases the same things, and also with the very strong likelihood of conflict of policies in the broadest sense. In many cases different government representatives from different departments do attend meetings of international bodies, and in the final outcome may very well pursue inconsistent policies, a recent example being perhaps the potentialities of conflict between the world Food Board suggested by F.A.O. and the Commodity Commissions to be set up here. That risk we feel is greatly increased if Secretariats are set up, entirely independent, by a series of organizations, particularly if they are separated geographically. We are also impressed with the great difficulty of finding adequate staff for these different organizations. It appears to us that only a strictly limited number of individuals are available, and it seems desirable that they should be used as much as possible by every separate organization. If the tendency develops of having completely different and independent organizations this difficulty is going to be greatly intensified.
THE CHAIRMAN: I take it then that the question which is being raised is essentially as to whether there should be a separate Secretariat for the I.T.O. Is that correct?

MR. BURY (Australia): That, Mr. Chairman, is a possibility, but we would not suggest that strongly at this stage. We would like to hear what other delegates have to say on the subject. There is the possibility that we might rely to some extent on the same Secretariat and have specialists in various spheres who would cover the work of I.T.O. alone. The other possibility is that it is in the main independent, but some of its personnel, for certain subjects, particularly the wider general subjects, are the same, and are in practice freely interchangeable with the central Secretariat. We have no strong views, but we would like to hear what other delegations have to say on this subject.

MR. HOUTMAN (Belgium) (Interpretation): Mr. Chairman, I wish to make a few remarks to express the views of the Belgian delegation concerning the question of Articles 67, 68 and 69. I think we should arrive at much greater clarity concerning two possible conceptions. The first of these is one which would consider that we must have a responsible Director-General with certain very definite and great powers, and I think in this case we should have perhaps fewer Deputy Directors-General. I think we should envisage one single Director-General and two Deputy Directors-General, one speaking French and the other English.

The other solution would be to have one Director-General and many deputy Directors-General, and these then would be the intermediaries between the Director-General and the different Committees. As things stand now we should have then not three Deputy Directors-General, but four, because
it has been envisaged for the time being that we should have four sub-committees. Article 67 provides only for the appointment of three Deputy Directors-General, and I suggest that we should change Article 67 in this sense.

MR. PALTHEY (France): (Interpretation): Mr. Chairman, I wish to support the questions asked by the Norwegian and Australian delegates. I think they have made very adequate remarks on the Secretariat, and this question is one of substance and we want to solve it. The question of the Secretariat and the question of the physical organization are in my opinion secondary questions, for we have now the examples of organizations which for the last two years have been working and have thus given us very important lessons. I think the main question for the time being is, what will the I.T.O. be? It seems that I.T.O. will have a very complex role which we have not been able to define yet, so I propose we defer the question of the Secretariat, which we would be in a better position to discuss when we are acquainted with the duties of the different Committees and when we know in what general direction we are moving. The first problem, therefore, seems to be the relationship between the I.T.O. and the other agencies, such as the Fund and the Economic and Social Council, which all have similar or parallel duties. If we do not pay attention to this problem now we run the risk of seeing future conflicts and overlapping which would lead to a certain duplication in our work. I do not think we are in a position to discuss the problem now because we have not got the general framework for our discussion, so I would suggest that in the course of future meetings of this
Committee we should study this problem.

As regards Article 67, I am in complete agreement with the previous speakers. I now have a proposal to make. I do not think that in a Charter of the kind here envisaged - a Charter which would be more than an official document - we should fix any number which would bind us. I think there should be no mention of the number of Deputy Directors-General, but we should only say there should be a Director-General and a certain number of Deputy Directors-General, assisted by the necessary staff. I think later rules might fix the number of the Deputy Directors-General.

THE CHAIRMAN: The delegate of South Africa.

MR. MAUDE (South Africa): Here I am, Mr. Chairman. I had not intended to speak now, because the French delegate has said approximately what I had in mind with regard to the impossibility of coming to a conclusion now about how many Deputy Directors-General we are going to require. I agree we shall have to see how things develop in the other Committees. On the question of the request to be addressed to the Secretariat to give us information about the degree of co-ordination which will exist between this organization and the Secretariat of the Economic and Social Council, I am quite sure this problem is going to be considerably aggravated by not knowing where we are going to locate this organization. Co-ordination is going to be much easier if everything is in the same place, but if it is not it is another proposition.

I have other remarks. I do not know whether I should make them at this point. If we are confining ourselves to Article 67 at this moment I shall wait for a few minutes.
MR. DAO (China): Mr. Chairman, the French delegate has raised certain points on the question of the Secretariat. I do not know how it appeals to the meeting, but I think it is appropriate to make one or two general observations on this question. I agree in general with the views expressed by several delegates as to the number of Deputy Directors-General. I think it is advisable to frame our Secretariat in a more practical way in order to make it adaptable to a changing situation, which may warrant a decrease or increase in the number of Deputy Directors-General.

The second point I wish to make is this. At the present stage it is difficult to envisage the amount of work that will be entailed after the setting up of the organization, so it is rather premature to state what size the Secretariat will be, but I wish to state that if there is an organization there must be a Secretariat. The size of it will be determined in view of the discussions concluded by the other Committees.

There are two questions which I will refer to at this stage. On Article 68, regarding the Director-General, I think it advisable to leave the question of eligibility for re-appointment to the time when the term of his office is to be decided. It is rather early to state in the Charter that he will be eligible for re-appointment, because we do not know what the terms of the office will be. If it was, for, say, ten years, then he would probably be serving the organization for 20 years, and I think that period would be too long.

The second point I wish to make at the present stage is about Article 70, the Secretariat Staff. I observe the reference to other specialized agencies and to the Charter of the United Nations, and due regard should be given
to equitable national distribution in the matter of appointing the Secretariat.

MR. SCHWENGER (United States): Mr. Chairman, perhaps it would be helpful if I were to say a word or two about the reasons that lay behind our drafting Article 67 in its present form. Before I do that, however, I would like to just say that my government, too, is quite interested in and concerned about the problem of co-ordination between the Secretariats of the various international organizations that are being set up, and they have been participating with considerable interest in the work being done at New York by the United Nations' Secretariat and by the Economic and Social Council in an effort to solve some of the problems associated with these inter-organization relationships and the problem of the great size of the international staff that is accumulating in different organizations and different places. I assume, however, that we will have an opportunity to discuss that more fully when the Secretariat produces the report which you suggested they should make.

As concerns Article 67, the words "three or more Deputy Directors-General" were really derived as a consequence of Article 69, para. 2, which provides by implication that there shall be Deputy Directors General and that they shall be ex officio members of the various commissions and shall have charge of the work of the Secretariat related to the activities of these commissions. It was felt that the existence of separate commissions charged particularly with fairly separable parts of the work of the I.T.O. would make it necessary for the Secretariat to be organized in a corresponding fashion, and to have senior administrative officers responsible for the various portions of the work of the Secretariat corresponding to...
the work of the various commissions. We wanted to be sure that in the organization of the Secretariat those having an interest in the work of one particular commission would have a competent and responsible administrative officer to whom they could address themselves. Moreover, it was felt that the commissions themselves should be directly in touch with that administrative officer, and it was with that idea in mind that this paragraph was drafted. I am sure those particularly interested in each of these commissions and in the proposed new commission will see the logic of that arrangement. It then followed that it would be necessary to have at least three Deputy Directors General, and we used the wording "three or more". I think, however, we could quite well accept some of the other wordings that have been suggested here without in any way changing the idea that we had in drafting Article 67 as it stands. For example, I believe the French delegate suggested a wording which would cover the case quite well.

MR. COLBAN (Norway): Mr. Chairman, to the last remarks of the United States delegate I would like to say that I am a little bit worried about the idea of putting a Deputy Director General in charge of each of these big commissions, as suggested in the Charter. If we do that we run the risk of lessening the responsibility of the Director General. He is the responsible man. He must be able to sit with and to work with each one of the commissions. He may in normal times quite well depute one of his men - or perhaps a lady - to attend in his place, but he should carry the full and entire responsibility.

I agree with the United States delegate that the
different members of the commissions should know to whom to apply if they have an important question, but access to the Director General should be the normal way, and we obtain all the necessary Deputy Directors General by leaving it to the Director General to arrange his staff according to his own views, based upon his experience. If I may speak about something that is dead, that is the way in which the Secretariat of the League of Nations was carried on, and from the point of view of the organization it was a great success and I think we could quite well follow the example there set.

So my own view, always subject to better views which may come afterwards, is that we could quite well leave out the second paragraph of Article 69 and accept provisionally the formula presented by the French delegate.

MR. PIERCE (Canada): Mr. Chairman, the Canadian delegation, like all the other delegations that have spoken, strongly favours the fullest co-ordination of international secretariats and is most anxious to obtain the resultant economies in money and personnel, but we cannot determine now here how or to what extent this co-ordination can be effected. On the other hand, I do not think it will help us in the least to defer our discussion until we hear the reports of the other Committees, nor do I think that we can expect much help from the Secretariat on the degree of co-ordination between international secretariats, many of which are not fully established and many of which are not even set up. It appears to me that we can take care of the situation very competently here, and take care of nearly every point that has been raised, by leaving the position flexible, following the example of the United Nations, and
give the Director General full authority and ample scope to meet the uncertain requirements of the future. At the same time, we should instruct him to have the closest regard for the possibility of co-ordination with the secretariats of other international organizations.

MR. VAN TUYLL (Netherlands): Mr. Chairman, the main difficulty with which we are faced now is that nobody can tell what amount of work the organization will have to do. It may be that it will be extremely busy, but if the organization works smoothly, as we all hope, I can imagine that the Director General for a Commission on Commercial Policy, for instance, and the Director General for a Commission on Business Practices will not have a full-time job, and therefore I also feel that we should arrange for the nomination of the staff with as much flexibility as possible.

There is another thing: it may be that during certain conferences the staff must be enlarged, or that a certain staff will have an amount of work which can be done over a period of a couple of months, but there may be a seasonal influence. I mean, if the Committees are not sitting they will not be busy, and therefore the idea of the delegato of Australia, to have a pool, is a very good one. I think if the instruction to the Director General is that he may appoint his staff, with regulations approved by the Conference, and the Conference will instruct him to keep contact with the United Nations Secretary-General about appointments, all the difficulties which have been raised this afternoon will be met.

MR. MALIK (India): Mr. Chairman, the Indian delegation would strongly support the desire that has been expressed generally for the necessity of co-ordination in the matter
of the Secretariat, but we would support the point of view put forward by our Canadian friends, and say "Let us in the meantime get on with the work of deciding what exactly our Secretariat for the E.T.O. is going to be". It might also be possible to refer this matter of the necessity for co-ordination to the appropriate body of the United Nations itself, whom I understand have got this matter under consideration.

There is one other point, sir. We would like to support very strongly the point that was put forward by the delegate from China, namely, the necessity for adequate representation on a geographical basis in the Secretariat itself. We, of course, are conscious of the fact that in a matter of this kind efficiency must be the first consideration, but after making that reservation we do think that every effort should be made to provide, particularly in the higher grades of the Secretariat, for people from the different parts of the world. I think it is very essential if you are to give the feeling everywhere that the interests of all parts are being properly looked after, and I think it is very essential in the interests of giving these Secretariats a really international character. We strongly support the suggestion made in this behalf by our friends from China.

MR. CLINKARD (New Zealand): Mr. Chairman, I have listened to this discussion for quite a while and found it very interesting and elevating, but I think it is going a long way round to say that we can all say quite briefly. We do not at this stage, it seems to me, know what sort of an organization we are going to establish, just what its functions will be, how far it will extend, or how many people and what kind of people we shall need to guide it.
The discussion rather reminds me of the state of mind one might be in if one was trying to decide whether one was going to establish a steamship line or an air line, and, before deciding that question, to set out to discover how many aeronauts one would need or how many ship's captains one would need! We do not know whether we are going to need one class of people or another class, or how many we shall need. It seems to me it would be far better if we merely contented ourselves at this stage — I repeat, at this stage — with the plain statement that we are going to set up an organization and it will need a Secretariat. Beyond that I do not think you can get at this time. When you are able to settle other questions then you can go further into the matter of the Secretariat you will need and how many people you will need. It seems to me we have been led into a long discussion by reason of the fact that we have had reference to the draft American Charter, which is quite an appropriate thing, but we do not want to start discussing the details of the Charter in a Committee of this kind, which is trying, in a very preliminary way, to settle something of the sketch outline of the organization to begin with. I think we are going into far too much detail at a very preliminary stage of the work.

MR. SCHWENGER (United States): Mr. Chairman, I would just like to suggest, as a method of proceeding here, that perhaps we might leave, at least until it comes into the order of our agenda — I believe it is the third item — this discussion of the relations with other organizations, which is dealt with not without some regard to these points that have been brought up on Article 71 of the Charter, and try perhaps for a few minutes to reach some agreement, if we can, on the
point of our discussion under Article 67. In any case, I wonder if we might proceed by sticking to the point of Article 67, personnel – not because it is more important, but perhaps because it is less important than the subject to which we have been devoting the bulk of our remarks.

MR. BURY (Australia): Mr. Chairman, in relation to the point raised by the delegates of China and India in regard to selection of personnel for the Secretariat, and their suggestion that they might be appointed to some extent with regard to geographic factors; in that connection, although it is slightly off the order of the agenda, I should like to ask the delegate of the United States a question concerning Article 72, the second sentence, in the fourth line. The Charter now reads: "These persons may be appointed without regard to their nationality". Now in most of these international documents the word usually used is "shall". I just wonder whether the "may" is completely intentional, and, if so, what lies behind it?
THE CHAIRMAN: Does the Delegate from the United States wish to comment on that?

MR SCHUMACHER (U.S.A.): Mr Chairman, I believe it was thought that this would give the maximum degree of freedom to the Director General in the appointment, and at the same time would establish the principle that this sentence is designed to express. It is for that reason that the word "may" rather than "shall" was used. It is a little inconsistent with some provisions that have been in other charters, that are not in this Charter, to make it "shall".

MR MERINO (Chile): (Interpretation): The Chilean Delegation, like many other delegations, agrees with the necessity of co-ordinating the various international Secretariats of recently created organisations. Coming back to the point of detail which was raised by the Chinese and Indian Delegations, I think that within the framework of Article 70 we could add a further paragraph, which would be the third paragraph of Article 101 of the United Nations Charter, which reads: "The paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence, and integrity. Due regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible". So I think this should be an important consideration.

MR BOUTENS (Belgium): (Interpretation): Mr Chairman, I do not think that we can agree to the proposal of the Chilean Delegation, because already in Article 70 the principle which the Chilean Delegation aluded to has been included, and we have the exact text which he would like to see, in Article 70. Article 70, for the time being, reads: "The paramount consideration in the employment of the staff and in the determination of its conditions of service shall be the necessity of securing the highest standards of efficiency, competence and integrity". That is exactly the text which he wanted to see. On the other hand, if we followed the suggestion of the Indian and Chinese representatives as to the need for the geographical basis, I think we should go against the wording of Article 72, as the Australian Delegation has already pointed out. We read in Article 72: "The responsibilities of the members of the Commissions", etc., "shall be
exclusively international in character. These persons may be appointed without regard to their nationality". So I think the Charter itself, in the spirit of the United States wording, is opposed to the suggestion put forward by the Indian and Chinese Delegations.

MR MALIKI (India): Mr Chairman, I have no desire to enter into a controversy with my French colleague, but the clear implication of his remarks, as I understood them, would be that efficiency and integrity generally may be confined to certain parts of the world only; also, the fact that a person comes from a particular country disqualifies him immediately from being considered as of international character. You get men from all countries and women, who come and work in this organisation in a purely international spirit, and I believe that the understanding is that, in carrying out their work in the Secretariat, they shall be quite oblivious of the particular interests of their own country, and shall only consider international interests. I see no reason why it should not be done in the future as well.

THE CHAIRMAN: I do not wish to interrupt this very interesting discussion, but it has been suggested that some of the members may wish to have a brief recess to have some tea, and re-assemble here at five o'clock. Does the Committee wish to break off at this point, or does it wish to continue? Those who wish to break off, please raise your hands? Then apparently it is the desire of the Committee to continue, and I therefore recognise the Delegate for China.

MR DAO (China): Mr Chairman, may I refer you to the Charter of the United Nations, Article 100, the Article previous to Article 101. Exactly similar words are provided here with respect to the international character of the Secretariat, and I wonder if the people in the United Nations who approved the Charter have seen fit to agree to have Article 100 along with Article 101. I do not see that there is any point in making the two provisions that, on the one hand, the Secretariat should be recruited "on as wide a geographical basis as possible," and, on the other hand, that the member governments
should respect the international character of the Secretariat.

In the international spirit, I do not see that there is any contradictory
tendency in having the two provisions in our proposed Charter.

The Chairman: Are there further comments on this point, on any part of
Section F?

Mr. Colelin (Norway): I think we can all agree with the Chinese representative.

I cannot see any reason why, in article 70, the first paragraph, we have only
quoted half of article 101. Let us add the wording of Article 101: "Due regard
shall be paid to the importance of recruiting the staff on as wide a geographical
basis as possible", and that will solve the problem. That is a stipulation of
the United Nations that we have all agreed to, and that should apply, as far as
possible, to all the organisations.

Mr. Schwenger (U.S.A.): Mr. Chairman, can I first explain why it is that in drawing
up this Charter we have separated the two things that appear together in
Articles 100 and 101 of the United Nations Charter. The portion that is in
Article 72 of the suggested Charter before you was intended to apply to two
groups dealt with separately in the preceding material: (1) the members of
the Secretariat whom we have been discussing, and (2) — in the reverse order
of their appearance here — the members of the commissions, who are also
selected in a particular way, provided in Article 62. The effort was not in any
basic sense, with the possible exception of the one we are discussing, to change
Articles 100 and 101 of the United Nations Charter, but rather they were arranged
in order to put the parts that dealt with the selection of these people, and which
differ as between the members of the commissions and the Secretariat, in two
different parts, and then later, in article 72, to put the remaining parts which
deal with both groups of persons.

So much for the reason why we have this peculiar arrangement. That is not
intended as an answer to the main point. As to the main point, I wonder if I
could explain the omission of the reference to the selection of personnel accord­
ing to wide geographical representation. We were anxious to emphasize as strongly
as we could the point that is in the Charter, that the paramount consideration
should be the necessity of securing higher standards of efficiency, competence
and integrity, and the remainder of it as expressed in Article 72.

We think that, in the working out of this organisation on the basis of
experience, the fact of its being an international organisation and the fact
that it should be of completely international character, and the relations
of the member States to the organisation and the various organs, would assure,
in our view, for the various reasons which the Indian Delegate so clearly
adduced, that there was a representative selection within the requirement
that the paramount consideration should be competence and related matters.
Should it be the wish, however, of the Committee that consideration be given
to incorporating these words, I think it could be done when revising the
Charter, to the extent of throwing out this carefully worked out arrangement
and replacing it with Articles 100 and 101 of the United Nations Charter.
I think, perhaps (I do not know whether we are going to have these Articles
put in some form by a Drafting Committee, after we have discussed them)
that if that is done, it might be that consideration should be given to the
manner in which such a clause might be formulated, in a way which would fit
it into the existing material of the Charter.

THE CHAIRMAN: The Chair has been concerned to assure you that there should be
a full and free discussion today on any aspect of Section F, or the related
Article 72 in Section G, that any member of the Committee might wish to
discuss. I submit that there has been a fairly full and free discussion on
the various parts of it. I was going to make a summarizing statement, and
a suggestion for further procedure, but before doing that I see that the
Delegate for Canada wishes to speak, and I am very glad to give him the
opportunity to do so.

MR PIERCE (Canada): Thank you, Mr Chairman. I am sorry to delay a very
welcome episode, the summing-up, but there are two points, one a minor
practical point, and one a point of some substance, that I wanted to mention.
The first concerns Article 68 paragraph 1, which provides that the Director
General is to be appointed by the full Conference. We think it might be wise
to permit the Conference, if it should find it advisable, to delegate the power of appointment to the Executive Board; otherwise the Conference might have to remain inconveniently long in session, or make a hasty appointment under pressure of time. That is a drafting change, perhaps.

The second point relates to paragraph 2 of Article 68. Reading this paragraph in conjunction with paragraph 2 of Article 59, which deals with the Chairman of the Executive Board, we had given some thought to the possibility of having the Director General act as ex officio non-voting Chairman of the Executive Board, thinking that this change might strengthen the organisation and make it a more effective instrument. We would very much welcome the views of the other Delegations on that point. In any event, we doubt the wisdom of an annual change of Chairman of the Executive Board, as provided for in Article 59. This question will come up later, but I raise it now because changes in Article 59 would require changes in Article 68, which we are now considering.

MR BURY (Australia): Mr Chairman, we also had thought of this question of making the Director General ex officio Chairman of the Executive Board, and on that suggestion I would support the Delegate from Canada; but that in itself does enhance the importance of the Director General, and therefore, in our view, it would make it even less desirable that the power of appointing him should be delegated by the Conference to any other body. Already it is stated that the Director General shall be appointed by the Conference on the recommendation of the Executive Board, and we feel that the Conference should appoint him without any delegation.

MR HOLMES (United Kingdom): Mr Chairman, I have managed not to say anything hitherto this afternoon, partly because I think I felt in some agreement with the representative of New Zealand; but on this point that has just been raised, as I understand it, by the representative of Canada, I feel that we should have to think a little more on what is surely rather an important point: whether the Director General can properly preside over
the Executive Board, even though he would not have a vote. As I have always understood the position, the Director General is partly, at any rate, a servant of the organisation, and I should have thought that it would be somewhat inappropriate to have him in a presiding capacity, where he is bound perhaps even to encroach on his other functions as Director General. It has been pointed out to me that some possible clue to this particular question may be found in the *prima facie* contradiction between the terms of Article 71 (1) and 71 (2), in regard to the relationship agreement between the organisation and the United Nations. In the first passage which I have mentioned it said: "which agreement shall be concluded by the Director General and approved by the Conference"; whereas the second passage, which relates to other organisations, says that "Formal arrangements for cooperation with such organizations may be entered into by the Executive Board". Possibly the Representative of the United States could help us here, and say whether there is some significance in that, and whether it bears on the functions which can properly attach to the Director General.

THE CHAIRMAN: Does the Delegate of the United States wish to comment on that?

MR SCHWENGER (U.S.A.): Mr Chairman, I am glad that the Delegate for the United Kingdom referred to this as a *prima facie* inconsistency. I think that there is a reason for the difference that makes it fairly necessary if the operations are going to go along smoothly. The first paragraph in Article 71, which provides for agreements to be concluded by the Director General and approved by the Conference, refers to the so-called treaties that are concluded between the United Nations and the organisation, formal documents which govern the relationship of the organisation with the United Nations for all time, until they are amended by a rather slow and cumbersome process. For that reason it was considered essential that they be approved by the Conference. I might add, also, that experience in negotiation of these agreements between the Economic and Social Council, on behalf of the United Nations, and the representatives of specialised organisations already in existence led us to suggest that the actual negotiation be done by the
Director General rather than by a larger group. As regards the things to be done under the later paragraphs of this article, they are of a less decisive all-time character. They are more in the nature of working co-operation: co-operation with other international organisations with related interests, and to some extent day-to-day coordination. Having these done in a less formal way, not requiring that they be approved by the Conference, corresponds with the nature of the thing itself.

If I may, Mr Chairman, I would like also to take advantage of this opportunity to speak to mention one point raised earlier in the discussion by the Delegate from Norway, in response to an earlier remark of mine, concerning the effect of Article 69 on the powers and competence of the Director General, if I may just say a word about that. As I understand it, the point was made that the existence of Article 69, especially paragraph 2, constituted a limitation on the power of the Director General. I am quite sensible of the possibility that it can be so interpreted, and it may be that it needs closer examination than we have already given it, in the light of this possibility, which we were as anxious to avoid as anybody.

I would like also to point out that there can be a reverse interpretation put on the Article, and it was the reverse interpretation that we thought had been written in. You see, the commissions would be operating, in the absence of paragraph 2 of Article 69, without any formally necessary relationship with the Secretariat, other than that of calling on the Secretariat for purely secretarial assistance. Our feeling was that the Director General should, under the Charter, have the right to be authoritatively represented in the commissions, and what this in effect says is the Deputy Directors General shall be appointed by the Director General. They are creatures of the Director General in this Charter, and we made quite a point of that for the very reason that has been given by the Delegate of Norway and by others. Then we gave him the right, through these creatures, to be authoritatively represented on the commissions. In other words, you might interpret it as having just exactly the reverse effect on his status, and I think that was our interpretation of those Articles.
MR COLBAN (Norway): I fully agree with the statement of the United Kingdom Delegate with regard to the possibility of letting the Director General preside at the Executive Board. As to the last remark of the United States representative, I would apologise for not having made my point perfectly clear, but my intention was, in omitting paragraph 2 of Article 69, to slightly alter paragraph 2 of Article 68 so as to read: "The Director General or a Deputy Director General designated by him shall participate, without the right to vote, in all meetings of the conference and of the Executive Board" — "and of the commissions of the organisation".
MR. HOUTMAN (Belgium) (Interpretation): Mr. Chairman, I think in order to avoid the possible contradictions in the second paragraph of Article 1 we should have a text to the effect that the organization shall be brought into relationship with the United Nations as soon as practicable, as one of the specialized agencies, etc, and this relationship shall be effected through an agreement with the United Nations under Article 63 of the Charter of the United Nations, which agreement shall be concluded by the Director General and approved by the Conference. And further down, to avoid any contradiction, we should mention, as regards the question of agreement, that the President should conclude that agreement, but that it should be subject to the approval of the Executive Board. In both cases, therefore, the Executive Board would deal with the relationship between the different international organizations, but if the question was one of agreement, the approval of the Executive Board would be necessary. I think this does away with the objections of the United Kingdom.

While I have the floor, Mr. Chairman, I do not see why in Article 71, para. 2, it is said that the organization shall co-operate with other international organizations whose interests and activities are related to its purpose, with particular reference to the importance of food and agriculture in relation to the subjects dealt with in Chapter VI. I do not see why we emphasise so much the importance of food and agriculture. Chapter VI, and particularly paragraph (d), deals with the question of exchange control, so I think it is important that there should be some relations between the I.T.O. and the Monetary Fund as well as between the I.T.O. and F.A.O., so may I ask the United States delegate to give us a few explanations
THE CHAIRMAN: Does the delegate of the United States wish to comment on that?

MR. SCHWENGER (United States): Mr. Chairman, I believe Chapter VI deals with Commodity Arrangements, and those of you who have participated in the work of the Committee at this Conference thus far which deals with Chapter VI know that the work of that Committee, and, should the I.T.O. be established, as is contemplated in this Charter, subsequently the work of the Commodity Commission also, is heavily weighted with considerations stemming from agricultural commodities and the general problems of food and agriculture, and for that reason, throughout the work that went into the preparation of Chapter VI of the Charter as a whole it has been thought that there should be a rather specially close relationship between F.A.O. and the work of the Commodity Commission; that it might be that representatives of the F.A.O. would and should have a particularly authoritative position at the meetings of the Commodity Commission because of the interrelationship between the work of their organization and the work of that Commission; and it was to keep that before the world and before this organization that this particular clause to which the delegate of Belgium has referred was included in the Charter.

MR. DAO (China): Mr. Chairman, while on this Article 71, the Chinese delegation is of the same opinion as that of the delegate of Belgium, that if we should make any special reference to F.A.O., probably the Bank and the Fund should also be mentioned, in view of the fact that one of the purposes is to encourage industrial development, and that is closely related to investment.
While on this Article may I seek some explanation from the delegate of the United States on para. 3, on specific tasks. Does it mean that the Organization will delegate power to the nongovernmental organizations to take care of the particular task, or does it mean that the Organization will ask the nongovernmental organizations to make some special studies of problems?

And on para. 4, probably the delegate of the United States may give us some idea of the other organizations that might be incorporated with or transferred to the United Nations.

MR. SCHÜENGER (United States): Mr. Chairman, I think Mr. Kellogg, who has worked on this a good deal, may answer that more effectively than I.

MR. KELLOGG (United States): Mr. Chairman, in reply to the first question of the delegate of China, as to para. 3 and the specific tasks, the idea there was that it might turn out to be true that some of the nongovernmental organizations could undertake conveniently certain studies which might be of value to the Organization. We had not thought of anything in particular, but in some cases these organizations have research staffs, which might be of value to the Organization, and we want to make it possible to avail ourselves of their facilities if it became desirable or appropriate.

In reply to the second question, as to para. 4, there are in existence at the present time certain international intergovernmental organizations in the field of trade. I have in mind particularly the Brussels Bureau for publication of Customs Tariffs, and there is also in Berne, I believe, an organization involved with Trade Marks. Later it might be found desirable to let
the new I.T.O. take over the work of these organizations.
We might find, in line with the suggestion of the delegate of Norway, that we could get real economy in the field of international organization by absorbing those older and possibly superannuated institutions into our new organization, and thus saving money, and that was the reason for the writing of para. 4, which, as you see, is as broad as possible, to envisage any suitable kind of absorption, co-operation or whatever you like.

MR. HOUTMAN (Belgium) (Interpretation): Mr. Chairman, I wish to modify the wording which was used in regard to the Belgian agency. It is not an office for the publication of tariffs, but an international office for customs tariffs.

MR. SCHWENGER (United States): Perhaps I might add, Mr. Chairman - Mr. Kellogg I am sure would wish me to - that these particular organizations were mentioned merely as examples, without implying necessarily that these particular organizations might be incorporated or brought in. That Mr. Kellogg said did not apply to any one particular organization; it was purely hypothetical.

THE CHAIRMAN: Gentlemen, our discussion has proceeded for two and a half hours and I take it that we are approaching the time when we would wish to adjourn. I do not wish to cut off any discussion if any delegate has an urge to say something more at this point. Is there anything more that anyone wishes to bring up at this time, recognising, of course, that there will be opportunities to discuss these matters further at our next meeting?

MR. MORAN (Cuba): Mr. Chairman, I would like to know when our next meeting is going to take place, because for the last few days I have been chasing around offices to find out.
THE CHAIRMAN: I will say to the delegate of Cuba that I had the same question in mind and was going to raise that in the concluding moments of our meeting. Before doing so, however, I should like to raise the question of procedure with reference to dealing with the various suggestions that have been made this afternoon. Those suggestions have been very numerous, of course. We started by asking for discussion, I believe, on section F, but the discussion just spread by dint of its own dynamics into section G as well, and I have not attempted to circumscribe the discussion in any way. I am very glad it has covered both sections.

Now the comments which have been made this afternoon would seem to me to traverse a rather wide gamut. They range all the way from the suggestion on the part of the delegate of New Zealand, that perhaps we might break off further discussion of this matter at this time and await the outcome of the discussions in the other Committees. If I have interpreted the implication of what he was saying correctly, that would be it. Then there have been various suggestions with reference to the size and the flexibility of the Secretariat. Some of those were general, and we have, I think, agreed that the Secretary should make some report on the general questions raised in that field by the delegate from Norway.

Then, finally, there have been numerous suggestions and comments with reference to the specific Articles that are contained under Section F and Section G. It is for the Committee, of course, to decide how it wishes to proceed in dealing further with these various comments. I would like to express the feeling that, while there is a great deal in the suggestion made that it would be very difficult to deal in any definitive way with many of these matters
until we have had a more complete discussion of the substantive matters that are being taken up in the other Committees, nevertheless, assuming that everything that we discuss and agree upon at this stage is provisional, yet we could continue to take up these various Sections on organization and proceed as far as possible.

I hope we shall not get into a position where practically all the work of this Committee is to be done just the day before we are going aboard ship to go home. In order to expedite consideration of the various points that have been raised, and take them up in an orderly way, I should like to suggest that it might be desirable for the Secretary to take all of the suggestions that have come up in this meeting, to assort and assemble them, and to put them on the agenda for the next meeting for further discussion, and that our Committee should take them up one by one, in order, as they relate to the various paragraphs of the suggested Charter.

That may or may not be a feasible suggestion. It is only an honest attempt on the part of the Chairman to suggest some orderly procedure for bringing to a head the matters that have been brought into discussion today. Is that suggestion agreeable to the Committee?

If so, I take it that the Secretary will consider himself instructed to proceed on that basis. I imagine that it will take him some time to prepare and distribute that summary, and that it may not be feasible, therefore, for this Committee to meet before Tuesday at the earliest. I am not undertaking that we could meet on Tuesday, because I believe we should need time for the Secretary to prepare and distribute this document, and the members would probably wish to look at it, and that would probably run us through
Monday.

MR. PIERCE (Canada): Mr. Chairman, need we wait for the summary of this meeting before proceeding to other items on the agenda? It appears to me that most of them stand by themselves, and that we could meet as soon as we can arrange a meeting and go ahead, and then when the summary catches up with us, deal with those items as they arrive.

MR. CLINKARD (New Zealand): Mr. Chairman, it appears to me that the Committee has a very proper anxiety to get as much of its work done as it can while the other Committees are sitting. I think that is a very proper view of the needs of the position, but I think that at the same time you are faced with an interminable difficulty as to what you can usefully discuss until the other Committees have mainly finished their work. Trying to reconcile those two ideas, it would seem to me that the desirable thing at this stage is to go through this agenda as reasonably rapidly as we can, with the greatest possible avoidance of discussion of details, about which we can have interminable talk, but about which we cannot really come to any conclusion in the ambiguity as to our objective. It therefore seems to me that what this Committee should do at this stage is to address itself to this agenda and to go through the agenda as rapidly as it can, sketching, so to speak, a picture of where we are likely to get to, without having these long discussions across the table as to the exact meaning of certain paragraphs of the United States Charter, which necessarily is a thing which we have to discuss in the main, but I do not think we want to start discussing the details of that or any other document at this time. It seems to me we should address ourselves to a viewing of the position as a whole and to the consideration of the various items.
on our agenda, and particularly those on which we can make some progress, and not to get into a wilderness of detail on each item at this time, because you are sure to have to go over it all again when the work of the other Committees is finished. That is my endeavour, to decide upon a middle course between leaving it all over until the end of the work of the other Committees and trying to do it all in detail now.

THE CHAIRMAN: I suggest that the item put forward by the delegate of New Zealand might be the first item on the agenda at the next meeting. It concerns a basic assumption with regard to the procedure which we should follow from this point. We have two alternatives: on the one hand, going through the organisation provisions of the Charter as rapidly as possible to get a bird's eye view of what they involve, to see that the organizational problem may be so far as can be told in the light of what is known about the substantive work of the other Committees; and, on the other hand, there is a possibility of continuing, as has been suggested, by taking up what may seem the most routine and least controversial parts of the organizational chapter and getting as much of that settled or provisionally discussed and settled as is possible. We could take that matter up again at the next meeting, because it is getting late. I only wish to add this, that we had tentatively decided to go forward on the basis of taking up these more routine parts first, and to change at this time would be a reversal of the first decision made by the Committee. Of course, that is within the power of the Committee if it wishes to do so, but it is getting late and I suggest we ought not to try to decide that tonight.

There remains the question of when we meet next. I
suggest that we endeavour to have a meeting on Monday, if the Secretariat can arrange it. Is that agreeable to the Committee?

MR. HOUTMAN (Belgium) (Interpretation): Monday afternoon, Mr. Chairman, at the same time?

THE CHAIRMAN: It is impossible to say at this time just what the time would be.

MR. HOUTMAN (Belgium) (Interpretation): Shall we know from the Journal on Monday morning?

THE CHAIRMAN: Yes.

MR. MORAN (Cuba): I suggest that we have to arrange our work here, and unless there is a reasonable probability that we can meet on Monday it might be wiser to say definitely now that we are going to meet on Tuesday.

THE SECRETARY: Mr. Chairman, it is not entirely within the competence of the Secretariat of this Committee to make decisions now regarding next week's programme, because meetings of this Committee have to be fitted into a fairly tight schedule, and it will depend to some extent on the wishes of the other Committees, as well as our own wishes, as to just when and how frequently we can meet. The practice up to now has been to decide, very largely on a day to day basis, the programme of meetings of all the Committees and Sub-Committees. I hope it may be possible before the weekend, either tonight or tomorrow, to get a fairly accurate idea as to what the programme is likely to be, at least for the first half of next week. I cannot promise that information will be available by tomorrow, but I will undertake to take it up with the Executive Secretary tonight, and if there is a possibility of giving some indication in the Journal for tomorrow, let us say, that will be done, otherwise it will certainly be.
published in the Journal that appears early Monday morning.

I should add that if any member of the Committee would care to get in touch with myself or any of the members of the Secretariat of this Committee at any time on the telephone we would be happy to give them such information as we have about Committee meetings.

MR. MORAN (Cuba): Mr. Chairman, I understood we were going to choose the date of the next meeting for Monday, but do I understand now that we are to wait for the news from the Secretariat before we know when we are going to meet?

THE CHAIRMAN: In reply to the delegate of Cuba, I think the best way to put it is to say that we are asking that a meeting be arranged as soon as possible next week. If it is possible to arrange it on Monday we will meet then.

Is there any more business to come before this meeting? If not, we adjourn.

The meeting rose at 6 p.m.