Amendments proposed by the United Kingdom Delegation

ARTICLE 62: line 2, after "an Executive Board" add "a Tariff Committee".

Comment: this addition appears desirable now that the Tariff Committee has been converted from an interim to a permanent organ (see the Drafting Committee's amendments to Article 67).

ARTICLE 64: read:-

1. Each Member shall have in the Conference the number of votes allocated to it in pursuance of the provisions of Annex ............... to this Charter.

2. Except as otherwise provided in this Charter, decisions of the Conference shall be taken by a simple majority of the votes cast.

Comment: (1) The U.K. Delegation maintains the proposal for weighted voting which it put forward at the meeting of the Drafting Committee in New York. It maintains also the formula which it then proposed for this purpose: see Appendix I on page 55 of the Drafting Committee Report; a specimen working-out of the results is given in Appendix II on page 56. It is contemplated that this formula would be set out in the Annex mentioned in the above revised draft Article.

(2) The question whether two-thirds majorities should be provided for in the case of certain specific questions arising under the Charter, additional to those for which such provision is already made, will need to be considered by the Preparatory Committee. The U.K. Delegation's interim proposals and comments on this subject are contained in Appendix XII on page 63 of the Drafting Committee Report.

(3) It will be necessary in making the Rules of Procedure for the Conference to decide how abstentions are to be treated in relation to voting.

ARTICLE 67: paragraph 3: read:-

"Each Member of the Committee shall have in the Committee the number of votes allocated in accordance with Article 64, paragraph 1, to the Member of the Organisation which he represents."
Paragraph 4: read:--

"Decisions of the Committee pursuant to paragraphs 1 and 2 of this Article shall be taken by a two-thirds majority of the votes cast, and other decisions by a simple majority of such votes."

ARTICLE 68: read:--

"1. The Executive Board shall consist of 17 Members, including the 8 Members of chief economic importance. The Conference, excluding these 8 Members, shall elect the 9 additional Members of the Board for terms of three years, subject to the provisions of paragraph 4. Elective Members of the Board shall not be eligible for immediate re-election.

2. The Conference shall annually determine which are the Members of chief economic importance on the basis of a system of rating according to the following schedule:--

1 point per 50 million U.S. dollars of external trade;

1 point per 500 million U.S. dollars of national income;

1 point per 10 million of population;

1 point per 10 per cent of external trade expressed as a percentage of national income.

3. For the purposes of paragraph 2, points shall be based on the relevant statistics for the average of the three full calendar years immediately preceding each annual determination. The first determination of ratings shall be based upon the average of the statistics for 1937 and the calendar year immediately preceding the entry into force of the Charter.

4. At the first election of the Board, 3 of the Members shall be elected for a term of one year, and 3 others for a term of two years.

5. The status of all Members on the Board shall be equal in all respects.

6. Each Member of the Executive Board shall have one representative and may appoint alternatives for the advisers to its representative."

Comment: Paragraph 2. It will be observed that the basis proposed for the determination of ratings of economic importance is the same as that proposed under Article 64 for the weighting of votes in the Conference, except that the 'basic vote' is for this purpose omitted as motiveless.
ARTICLE 71: the Executive Board should be given power to delegate its authority to a limited number of its Members including its Chairman.

ARTICLES 74-77: it is not clear whether the Commissions can initiate studies, advice and recommendations or whether they can only act on the instructions and within terms of reference assigned to them by the Conference or the Executive Board. It is assumed that the former is intended, and that this will be clarified during the discussion that will be necessary on the subject of the Commissions and particularly of the Commission on Restrictive Business Practices.

ARTICLE 81: Paragraph 1 line 9 delete the words 'concluded by the Director-General and'.

Comment: These words are unnecessary, since the relationship Agreement will be negotiated by a Committee appointed by the Conference and signed by the negotiators, and it will be brought into force upon its approval by the Conference and by the General Assembly of the United Nations.

ARTICLE 86: The U.K. Delegation has already distributed the text which it proposes (paper E/PC/T/W/161).

ARTICLE 88: Paragraph 1 of the Drafting Committee text should be transferred to the very end of the Charter, and should read as follows:—

"The original English and French texts of this Charter shall be deposited with the Secretary-General of the United Nations, who shall furnish certified copies of both texts to all interested Governments.

Done at ........., this ......... day of ........., 19...... in the English and French languages, both texts having equal force. In witness whereof the undersigned, duly authorised to that effect, have signed the present Charter, and have affixed thereto their seals."

Paragraph 2 etc. These remaining paragraphs should be amended as follows:—

"1. This Charter shall remain open for signature until ..........19...... and shall be subject to acceptance.

2. Each Government accepting this Charter shall deposit an instrument of acceptance with the Secretary-General of the United Nations, who shall inform all Governments represented at the United Nations Conference on Trade and Employment and all other Members of the United Nations not so represented, of the date of deposit of each instrument of acceptance and of the date on which this Charter enters into force under paragraph 4 of this Article. After this Charter has entered into force, each Government which has deposited an instrument of
acceptance shall thereupon become a Member of the Organisation.

3. The Government of any country whose proposed Membership of the Organisation has been approved by the Conference under paragraph 2 of Article 2 shall deposit an instrument of acceptance with the Secretary-General of the United Nations, and shall thereupon become a Member of the Organisation.

4. This Charter shall enter into force on the sixtieth day following the day on which the number of governments represented at the United Nations Conference on Trade and Employment which have deposited instruments of acceptance pursuant to paragraph 2 of this Article shall reach twenty, and the instrument of acceptance of each other accepting government shall take effect on the sixtieth day following the day on which it is deposited, provided that, if this Charter shall not have entered into force by 1944, any of the governments which have brought into force the General Agreement on Tariffs and Trade dated ....... 1944, together with any other governments represented at the United Nations Conference on Trade and Employment, may agree to bring this Charter into force among themselves in accordance with arrangements which they may agree upon. Any instrument of acceptance deposited with the Secretary-General of the United Nations shall be taken as covering both procedures for bringing this Charter into force, unless it expressly provides to the contrary or is withdrawn.

5. Each Government accepting this Charter does so in respect of its metropolitan territory and of any other territories for which it has international responsibility: Provided that it may at the time of acceptance declare that any separate customs territory for which it has international responsibility possesses full autonomy in the conduct of its external commercial relations and other matters provided for by the Charter, and that acceptance does not relate to such territory.

6. Each Member may, at any time, accept this Charter in accordance with paragraph 2 of this Article on behalf of any such separate customs territory willing to undertake the obligations of the Charter. Acceptance on behalf of such territory shall take effect on the sixtieth day following the deposit of the instrument of acceptance.
7. Each accepting Government shall take such reasonable measures as may be available to it to assure observance of the provisions of this Charter by subsidiary governments within its territory."

Comment: (1) The provision of paragraph 1 of the Drafting Committee text of this Article as to deposit of the original text with the United Nations is out of place and should be transferred to the very end of the Charter, immediately before the signature formula.

(2) It is proposed to include the provision for signature which was regular in pre-war conventions and treaties. Such signatures will not, of course, bind any signatory Government pending its acceptance, but are necessary for the purpose of authenticating the agreed text.

(3) The new paragraphs 5 and 6 are a revision of paragraph 4 of the Drafting Committee text. They follow from the draft Recommendation of the Preparatory Committee proposed in paragraph 6 of the Executive Secretary's note E/PC/T/Del.39, of which the last paragraph contemplates that invitations to the Trade and Employment Conference would be sent to those customs territories which are not responsible for the full conduct of their international relations but in respect of which the Government of the metropolitan country, being a State which is a Member of the United Nations, or, if not, receives an invitation, declares that they possess full autonomy in the conduct of their external commercial relations and other matters provided for by the Charter. The U.K. Delegation favours this proposed Recommendation and will in due course propose a redraft of Article 2 (Membership) to take account of it.

(4) The words "willing to undertake the obligations of the Charter" have been re-inserted from the London text. They were omitted by the Drafting Committee on the assumption, which the U.K. Delegation considers mistaken, that they were unnecessary.

ARTICLE 89: paragraph 1: third line, after "Article 35" insert "or paragraph 2 of Article 85".

Comment: the contingency contemplated in the last sentence of paragraph 2 of Article 85 (Drafting Committee text), viz. that a Member which does not accept an amendment of the Charter involving new obligations may withdraw from the Organisation, clearly needs to be provided for in the present paragraph.

Paragraph 1: 4th and following lines, read: "or on behalf of a separate customs territory in respect of which it has accepted the Charter under paragraph 6 of Article 88."

Comment: This is consequential upon the revised new paragraph 6 of Article 88 proposed above.

17 June 1947.