

INTERIM COMMISSION  
FOR THE INTERNATIONAL  
TRADE ORGANIZATION

COMMISSION INTERIMAIRE DE  
L'ORGANISATION INTERNATIONALE  
DU COMMERCE

UNRESTRICTED

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SUMMARY RECORD OF INFORMAL MEETING OF  
REPRESENTATIVES OF EXECUTIVE COMMITTEE OF ICITO  
PRESENT IN ANNECY

Held on Wednesday, 8 June 1949, at 10.30 a.m.

Chairman: Mr. L.D. WILGRESS (Canada)

Subject discussed: Future programme for the Interim Commission

The CHAIRMAN reviewed for representatives the terms of reference of the Interim Commission and the work already accomplished for carrying out these terms of reference. A third session of the Executive Committee had been scheduled at the last session for September of this year on the assumption that there would be several ratifications by that date and that it would be possible to foresee the date of the First Conference. Since this assumption has not proved correct, there would seem to be little point in holding the September meeting of the Executive Committee. The problem before the meeting was what should be the programme of the Interim Commission in view of the delay in the establishment of the Organisation, and what should be the function of the Secretariat. This also raised the question and the means of financing the Interim Commission in 1950. Should a further advance from the Working Capital Fund of the United Nations be requested from the General Assembly or should some other means such as direct contributions be found. He called upon the Executive Secretary for his views.

The EXECUTIVE SECRETARY said that there seemed little doubt that the decision to hold a meeting of the Executive Committee in the autumn of this year should be changed. There were, however, other pressing questions which must be considered, viz., the future

programme of the Interim Commission and the method of financing it. When the draft terms of reference for the Interim Commission were drawn up in Havana, the basic one which gives the power to perform certain necessary tasks of the Organization itself pending its establishment and which is contained in the terms of reference of all other Interim Commissions, was omitted. This was done deliberately because in consideration of the important matters dealt with in the Charter, it was not thought desirable that the Interim Commission should exercise these powers. It had also seemed probable at that time that the Charter would not be very long delayed in entering into effect. Moreover, some important questions which would ultimately fall under the aegis of the Organization were also covered by the GATT and would therefore engaged the attention meanwhile of the Contracting Parties. The result is that the Interim Commission has functions only in terms of the First Conference and these very restricted ones which are largely covered in the two draft reports, except for one or two matters for which reports could be prepared with little difficulty.

The EXECUTIVE SECRETARY stated that his first reaction to the prolongation of the period before the Organization would come into being was that the Interim Commission had exhausted its utility and, after a formal meeting to give final form to its report, might well be dissolved. The only good argument for its continuance was that of holding together its small Secretariat to form a nucleus of staff for the first conference, but he did not think the collection of an adequate staff sufficiently difficult to justify the continuance of the present one only on those grounds. The retention of the staff could only be justified insofar as there was a programme for it to implement.

In preparation for an early meeting of the Conference a very detailed report on administrative questions had been prepared. It had been hoped that with the aid of this report these questions could

be dealt with quickly and the time of the Conference devoted to the important substantive matters which would undoubtedly be before a Conference held at such an actual time. The Interim Commission might decide that it wished to take an active part in the preparation for such discussions. However, because of pressing present problems and the delay in the establishment of the ITO, it may well be that other agencies will have to take up the problems with which the ITO is intended to deal. Governments must decide whether to give the Interim Commission an active role.

With regard to the meeting provided for in Article 103 of the Charter for September 30 1949, of those countries having deposited instruments of acceptance, it seemed to him that a meeting of the whole Interim Commission would be of more value. It was very desirable to examine the whole purpose and role of the Interim Commission. If it were decided that there was no case for expanding its mandate, the Executive Secretary thought it undesirable to approach the General Assembly for a further loan for 1950 for such limited activities, a loan which the General Assembly might well be reluctant to grant.

Dr. AUGENTHALER (Czechoslovakia) thought that with regard to the September 30 meeting, formal action would be necessary as it is formally provided for in the Charter. It might be advisable to communicate with all members of the Interim Commission suggesting that the date provided for in Article 103 2(b) be altered and then if there were agreement, notify the Secretary-General of the change.

As to the continuation of the Interim Commission, the Secretariat should continue as it was necessary that someone should prepare for the first meeting. He thought that there was useful work for the Secretariat to do and suggested specifically that it might prepare a study of the various resolutions of the General Assembly, the Economic and Social

Council, Specialized Agencies, etc. which had a bearing on the Havana Charter, as to their relationship with various functions provided for in the Charter. As to the financial problem, he was in favour of applying for a further loan from the General Assembly.

Mr. WILLOUGHBY (United States of America) thought that the Interim Commission should be continued. He suggested as a useful task for the Secretariat, collecting material on deviations from Article 23 for the report which the Charter requires to be prepared by 1 March 195

Mr. SHACKLE (United Kingdom) agreed to the postponement of the September meeting and thought that Dr. Augenthaler's suggestion as to the method of dealing with the provisions of Article 103 should be very seriously considered. As to the work of the Secretariat, there was much useful work that could be done; in the commodity field particularly he wondered whether ICCICA was adequate to deal with the present situation. There was also much to be done in the economic development field, and it was surely a pity that the Interim Commission was not taking part in this work in its formative stages. Although minor, there was also the question of relations with other agencies and organizations. With regard to work in connection with Article XXIII, paragraph 1(g), the Interim Commission and present Secretariat was certainly not competent to undertake the task and some other means must be found for dealing with the matter, perhaps by postponement for a year as suggested in the report.

Mr. COUILLARD (Canada) agreed that the Secretariat should be continued, particularly as it also served a very useful function as Secretariat for the GATT, and he thought that there was a sufficient amount of work for it to do.

Mr. POLITIS (Greece) requested the Secretariat to indicate possible functions it could perform and thought that within the spirit

of preparing for the first conference there was much apart from purely administrative work that could be done.

Mr. PATIJN (Netherlands) thought it was very important that the Secretariat should be kept intact. With regard to the suggestion of Dr. Augenthaler, he thought that the co-ordination work was already being done by the United Nations and should not be repeated elsewhere. He did think that useful co-ordination work could be done in the field of economic development.

The CHAIRMAN, in reply to questions from the various delegates as to the reaction of the General Assembly to a further request for a loan, stated that at the last Session of the General Assembly there had been no long debate or serious difficulty in granting the loan and that the final vote had been something like 30 to 6. Of the 30, however, who voted in the affirmative in the Plenary Session, many had been critical in Committee V on the grounds of safeguarding the finances of the United Nations. The question of finances was of secondary importance, however, compared with the basic question of the programme of the Interim Commission.

Mr. CLARK (Australia) agreed that the Secretariat should not be dissolved, and suggested that there was very useful work to be done in connection with Article 21, paragraph 6, and Article 4, and that perhaps a paper could be prepared on matters concerning a general disequilibrium restricting international trade. There was much useful work the Secretariat could also do for the Contracting Parties, such as objective and fact finding studies concerning Articles XVIII, XV and XVI, in the absence of which Working Parties were required to prepare such data during meetings which added to the cost and which by their very nature were less objective.

Mr. AUGENTHALER (Czechoslovakia) wished to clarify his point as he thought that Mr. Patijn had misunderstood him. He only referred to resolutions dealing with the same problems dealt with by the Charter as they would have to be constantly referred to by the Organization. He wished to warn the meeting about suggesting that the Secretariat make studies of controversial topics as it would expose them to attack from all sides.

Mr. AMARICH (France) agreed regarding the postponement of the September meeting and said that it appeared that there was adequate work for the Secretariat to do. He asked whether a change in the terms of reference was required.

The EXECUTIVE SECRETARY said that he wished to emphasize the fact that it was necessary to find a definite programme for the Interim Commission rather than a series of tasks for the Secretariat. In reply to the specific suggestions made, he had given considerable thought to the possibility of work in the economic development and commodity fields, and had come to the conclusion that the Interim Commission on its present terms of reference had nothing whatever to contribute. It could give no more than possible future programmes of a possible future ITO at an indeterminate future date. It must in particular avoid the danger of inhibiting other organizations able to act from taking up urgent tasks by asserting the future responsibilities of the ITO.

Unless there were a much clearer idea of the responsibility of the Interim Commission and specific tasks that it could perform, he saw no useful purpose in its continuing and a possible harmful one in that it might prevent other organizations from taking up tasks assigned to a future and uncertain ITO.

The CHAIRMAN thought that there was general agreement on the minor points raised in this discussion, such as postponing the September meeting and possible methods of financing a continuing Secretariat. He suggested that delegations give very serious consideration to the Executive Secretary's statement before the next meeting to be held on July 5th or 6th. Of the various suggestions for work for the Secretariat, the most useful one seemed to him that made by the Australian delegate concerning Article XXI, paragraph 6 as that related to a problem which was not within the province of any organization yet established. He also informed delegates that at the next meeting the question of barriers to the international transport of goods, concerning which a paper had been distributed, would be discussed.

The meeting rose at 12.30 p.m.