

ECONOMIC AND SOCIAL COUNCIL

CONSEIL ECONOMIQUE ET SOCIAL

RESTRICTED

E/C.1/SR.54

18 September 1947

ORIGINAL: ENGLISH

COMMITTEE ON NEGOTIATIONS WITH SPECIALIZED AGENCIES

SUMMARY RECORD OF THE 54TH MEETING

Held at Lake Success, New York, on Thursday,
14 August 1947, at 3:00 p.m.

Present:

Chairman:	Mr. Papanek	(Czechoslovakia)
	Mr. Smith	(Canada)
	Mr. Gonzales	(Chile)
	Mr. Cha	(China)
	Mr. de Clermont-Tonnerre	(France)
	Mr. Lunde	(Norway)
	Mr. Phillips	(United Kingdom)
	Mr. Griffiths	(United Kingdom)
	Mr. Chernyshev	(Union of Soviet Socialist Republics)
	Mr. Kotschnig	(United States of America)

Representatives of the Trusteeship Council:

Mr. Forsyth	(Australia)
Mr. Noriega	(Mexico)

Secretariat:	Mr. Owen	(Department of Economic Affairs)
	Mr. Saba	(Legal Department)
	Mr. Bloch	(Department of Security Council Affairs)
	Mr. Hudson	(Department of Economic Affairs)
	Mr. Kromery	(Division of Co-ordination and Liaison)

Continuation of the Discussion of the Draft Agreements with the International Bank for Reconstruction and Development and the International Monetary Fund Article III. Consultation and Recommendations

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) stated that he was not entirely satisfied with the conclusions arrived at by the Legal Department when giving its opinion with reference to the wording proposed for this article by the Bank (document E/C.1/33).

/Mr. LUNDE

Mr. IUNDE (Norway) repeated his proposal, formulated during the previous meeting, that the text contained in the ILO Agreement be taken as a basis for drafting a similar article in the agreements with the Bank and Fund.

Mr. KOTSCHNIG (United States of America) proposed the adoption of the following text for paragraph 2:

"The Bank agrees to arrange for submission, as soon as possible and subject to such preliminary consultation as may be necessary, to its appropriate organ of all formal recommendations which the United Nations may make to it, and in due course to report to the United Nations on the action taken by the Bank or by its members to give effect to such recommendations, or on the other results of its consideration."

Mr. OWEN (Secretariat) suggested that the Committee might also consider as an alternative, this text with the addition of the paragraph submitted by the Legal Department on the action to be taken by the Bank on loans.

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) considered that the Economic and Social Council was, according to the Charter, under an obligation to co-ordinate the activities of the specialized agencies. He thought, therefore, that the phrase "and subject to such preliminary consultation as may be necessary" should not find a place in this article.

Mr. de CLERMONT-TONNERRE (France) suggested that the reference to Article 58 of the Charter be included, as it would clarify the point that the recommendations in question should relate to the co-ordination of the policies and activities of the specialized agencies.

Mr. KOTSCHNIG (United States of America) suggested that, if Article 58 was mentioned, Article 63 should also be referred to, as they had always been cited concurrently.

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) wondered why, in view of the wide differences of opinion regarding these important negotiations, they could not be postponed to enable the Committee to reach general agreement.

Mr. KOTSCHNIG (United States of America) stated that the negotiators from the Bank and Fund were arriving the following day, and that the Committee should be able to present a draft of its own.

Mr. IUNDE (Norway) agreed with the USSR representative that the phrase "subject to such preliminary consultation" should not be mentioned in the draft to be presented by the Committee.

Mr. OWEN (Secretariat) said that in practice such consultation was likely to take place in any case, in particular inasmuch as representatives of the Bank would be present at meetings of the Council, and suggested that the inclusion of this phrase should not constitute a major obstacle.

Mr. IUNDE (Norway) suggested that, if necessary, the Committee could agree to delete the second part of the paragraph beginning with the words, "and in due course".

/DECISIONS:

DECISIONS: Paragraph 2, as proposed by Mr. KOTSCHNIG (United States of America), and amended by Mr. LUNDE (Norway), was adopted by 4 votes to 0 with the USSR representative abstaining.

The eventual inclusion of the phrase: "subject to such preliminary consultation as may be necessary" and the eventual deletion of the phrase beginning with the words "in due course" were decided by 4 votes to 0 with the representative of the USSR abstaining.

The inclusion of paragraph 3, worded as follows: "The United Nations recognized that the action to be taken by the Bank on any loan is a matter to be determined by the exercise of the Bank's judgment in accordance with the Articles of Agreement of the Bank" was adopted by 4 votes to 0, with the representatives of the USSR and Norway abstaining.

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) explained his abstentions by stating that, in his opinion, the article adopted appeared as an attempt to circumvent the Charter.

Article IX. Administrative Relationships

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) stated that the opinion of the USSR delegation in this respect was well known: Article XVII, paragraph 3 of the Charter contained a specific provision with respect to the examination by the General Assembly of the administrative budgets of the specialized agencies, and any article on budgetary and financial matters should closely conform to the wording of this provision.

Mr. CHERNYSHEV then left to attend another meeting.

Mr. LUNDE (Norway) agreed with the USSR representative, and felt that this was an extremely important provision on which a definite stand should be taken by the Committee.

Mr. de CLERMONT-TONNERRE (France) suggested that the arguments of the Bank and Fund should be heard first, and that the Committee could then take a decision with respect to this article.

Mr. SABA (Legal Department) stated with reference to Article IX, 4, that the provision referring to the extension to the officials of the Bank (Fund) provided for by Article VII of the General Convention on Privileges and Immunities was perfectly acceptable and in conformity with Section 28 of the Convention. He had some objections to the actual drafting of the provision as proposed by the Bank and suggested the following redraft: "The officials of the Bank shall have the right to use the laissez-passer of the United Nations in accordance with special arrangements to be negotiated between the Secretary-General of the United Nations and the competent authorities of the Bank."

DECISION: Article IX was adopted as previously agreed upon, except for paragraph 4, for which the text submitted by the Secretariat was adopted.

/Preamble

Preamble and Article I

Mr. IUNLE (Norway) formally moved his proposal to rearrange the beginning of the Agreement in order to make it similar to the agreements previously entered into with other specialized agencies, i.e., to decide on the inclusion of a preamble.

DECISION: The Norwegian proposal was rejected by 3 votes to 2.

Article II, paragraph 1

Mr. KOTSCHNIG (United States of America) wished to rectify the addition he had proposed as a second sentence. The second sentence should read: "Representatives of the United Nations shall be invited to participate without vote in the meetings of the Executive Directors when matters of concern to the United Nations are under consideration."

DECISION: This was agreed upon.

The meeting rose at 4:30 p.m.
