

of the Conference and the non-members of the United Nations which might be invited to the Conference. The relevant sections of this interim report are reproduced in Enclosure 1 to the present Report. The resolutions adopted by the Economic and Social Council relating to the recommendations in the interim report are reproduced in Enclosure 2. In accordance with those resolutions, the United Nations Conference on Trade and Employment is to be convened on 21 November 1947 at Havana, Cuba.

The Second Session of the Preparatory Committee continued the preparation of the draft Charter or convention. The draft adopted by the Preparatory Committee at the Second Session as a basis for discussion at the World Conference appears as Part II of the present Report. Although the Preparatory Committee has reached a large measure of agreement on the text to be recommended to the full Conference, it will be noted that the text is accompanied by a number of notes indicating the reservations which have been made and the interpretations of the text which are thought necessary in order to make the exact intention clear. Some of these latter notes enabled reservations to be withdrawn:

In view of the fact that changes have been made in the text of the draft Charter as it has progressed through the Preparatory Committee, and particularly in view of the fact that the order of the articles has been rearranged, the present report contains as Enclosure 4 tables setting forth in parallel columns the identifying numbers of comparable provisions in the versions of the draft Charter issued by the New York Drafting Committee and by the Second Session of the Preparatory Committee in order to facilitate a determination of the relationship between the present text and the earlier version.

In its present Report, the Preparatory Committee has refrained from enunciating in detail the principles underlying the draft Charter. It was felt by the Preparatory Committee that the observations presented in Part II of the Report of the First Session represented a general statement of the guiding principles which have been followed and developed in the work of the First Session, the Drafting Committee and the Second Session. Although the Report of the Second Session will constitute the agenda and basic "working paper" at the World Conference, the two earlier reports will be regarded as essential parts of the annotation thereto. It has seemed unnecessary to restate in the two later reports the principles set forth in the Report of the First Session or to indicate at length the alterations which were made during the Drafting Committee stage or during the Second Session, in order to take account of new considerations and to reconcile conflicting points of view.

Considering that the objectives underlying the endeavour to set up the I.T.O. would be promoted if concrete action were taken by the Members of the Preparatory Committee (which account for approximately 70% of world trade) to enter into reciprocal negotiations directed