

FIRST COMMITTEE: EMPLOYMENT AND ECONOMIC ACTIVITY
REPORT OF SUB-COMMITTEE A - "FAIR LABOUR STANDARDS"

1. At the sixth meeting of the First Committee, 8 December 1947, the Chairman appointed a Sub-committee which was instructed to examine the text of Article 4 with the new proposals relating to the subject matter thereof and to prepare a text for submission to the full Committee (see E/CONF.2/C.1/8 with Add.1).
2. Representatives of the following delegations were appointed members of the Sub-committee: Argentina, Ceylon, China, Colombia, Cuba, Czechoslovakia, Denmark, Mexico, Netherlands, New Zealand, Turkey, Union of South Africa, United States of America and Uruguay.
3. Mr. D. K. LIEU (China) served as Chairman of the Sub-committee.
4. The representatives of the delegations of the Philippines and of Haiti attended the meetings of the Sub-committee when proposals originating with those delegations were under discussion. The Sub-committee also had the benefit of expert advice from the representative of the International Labour Organization.
5. After a discussion of the points of substance in the Sub-committee a Drafting Group was constituted, comprising representatives of the delegations of Mexico, the Union of South Africa and the United States of America. The text prepared by this Drafting Group was subsequently considered and modified by the full Sub-committee.
6. In the course of its deliberations the Sub-committee examined the proposals appearing in the following documents:
 - E/CONF.2/11/Add.3 (Argentina)
 - E/CONF.2/11/Add.4 (Peru)
 - E/CONF.2/11/Add.23 (Burma)
 - E/CONF.2/11/Add.28 (Mexico)
 - E/CONF.2/11/Add.31 (Mexico)
 - E/CONF.2/11/Add.33 (Ceylon)
 - E/CONF.2/C.1/3/Add.1 (Haiti)
 - E/CONF.2/C.1/3/Add.2 (Uruguay)
 - E/CONF.2/C.1/3/Add.3 (Union of South Africa)
 - E/CONF.2/C.1/3/Add.4 (Philippines)
 - E/CONF.2/C.1/3/Add.5 (Colombia)
 - E/CONF.2/C.1/7/Add.1 (Consequential Amendment by the United States of America)
7. In addition,

7. In addition, in accordance with the procedure established in E/CCNF.2/C.1/8/Add.1, and in agreement with the delegation of Mexico, the Chairmen of Sub-committees A and B agreed that the proposal by the delegation of Mexico for a proviso to paragraph 1 (b) of Article 6 (E/CCNF.2/11/Add.31) should be considered by Sub-committee A rather than Sub-committee B to which it had been referred originally. Accordingly, account has been taken of that proposal in redrafting Article 4.

8. The Sub-committee held four meetings and reached agreement on the accompanying text. The representative of the delegation of Argentina indicated that while he was prepared provisionally to agree with the text produced by the Sub-committee, it might be necessary for his delegation, after it had had an opportunity to examine a Spanish translation of the text, to express certain views concerning that text in the full Committee. The representative of the delegation of Mexico indicated that his delegation reserves its position for discussion in the full Committee on the relation between the present proposed text and the amendment put forward by that delegation earlier for a provision relating to non-discriminatory treatment of labour. The discussions in the Sub-committee were characterized throughout by a spirit of conciliation and co-operation on the part of all delegations participating. The members of the Sub-committee desire to record their special appreciation of the manner in which the Chairman conducted the proceedings.

9. In the view of the Sub-committee the text which it is recommending for consideration and approval by the full Committee is in most respects self-explanatory. Accordingly in this report the Sub-committee is confining its remarks largely to observations concerning the relation between the present text and the amendments which were under consideration.

Paragraph 1

10. In the drafting of the first sentence of paragraph 1 the Sub-committee was prompted by the amendment proposed by the delegation of Mexico to the effect that a reference should be made in the Article to the safeguarding of the rights acquired by labour, especially those embodied in the Declaration of the Aims and Purposes of the International Labour Organization adopted by the ILO Conference at Philadelphia in May 1944. In the use of the words "international declarations" the Sub-committee had in mind particularly this Declaration. It was felt by the Sub-committee that this language (together with the references elsewhere in the Chapter to "large and steadily growing...effective demand") also covered the proposal of the delegation of the Philippines concerning the importance of social security since the Declaration of Philadelphia stresses the significance of social
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security measures. The language of this first sentence was, however, drafted sufficiently broadly to include not only the Philadelphia Declaration but any other international instruments whereby rights of workers were established.

11. In the second sentence the Sub-committee has incorporated the proposal of the delegation of Argentina that "wages" should be specifically mentioned. By its use of the word "improvement" in this sentence the Sub-committee feels that it has also embodied the substance of the amendment proposed by the delegation of Burma.

12. In the third sentence the Sub-committee has endeavoured to take account of various proposals which were made concerning the use previously of the words "production for export". The present language indicates that the sentence is concerned with any unfair labour conditions which create difficulties in international trade.

13. The Sub-committee has not retained the words "throughout its territory" which appeared in the text submitted by the Preparatory Committee. The Sub-committee is of the opinion that these words are unnecessary since the sense is clear without them, but that the central Drafting Committee might consider from a drafting point of view whether or not they should be retained. The representative of the delegation of Turkey indicated that his delegation might find it necessary during the discussion of this matter in the First Committee to suggest that the words "within its territory" be inserted.

Paragraph 2

14. The present text of paragraph 2 is identical with the corresponding sentence in the text submitted by the Preparatory Committee.

Paragraph 3

15. The text of the new paragraph 3 was prepared on the basis of various suggestions which were made in the original amendments concerning the division of functions between the ILO and the ITO (e.g., the amendments proposed by the delegations of Ceylon, Colombia and the Union of South Africa). In view of the special competence of the ILO in the field of labour standards it was considered desirable to provide in the Article itself for consultation between the ILO and the ITO. This paragraph was also designed to meet the requirements of those countries which had proposed various procedures for dealing with situations in which a Member felt it necessary to protect its industries from the competition of products produced under unfair conditions of labour (e.g., the amendments proposed by the delegations of Colombia, Mexico and Uruguay). The present language of this paragraph is intended to bring out explicitly the relationship between this Article and the procedure established in Article 90 for the reference of matters to the Organization.

/16. The Sub-committee

16. The Sub-committee recognizes that in the proposed text specific provision has not been made for non-discrimination in the treatment of labour as proposed by the delegations of Mexico and Haiti. During the discussion of this matter in the Sub-committee note was taken of the work being done on this subject by the ILO and by such other bodies as the Commission on Human Rights and its Sub-commission on the Prevention of Discrimination and the Protection of Minorities. The majority of members of the Sub-committee felt that the question of non-discrimination in respect of the employment of labour could not be dealt with appropriately or adequately in a charter of an international trade organization. To the extent, however, that provisions concerning non-discriminatory treatment of labour may have been, or may in the future be, incorporated in other "international declarations, conventions and agreements" to which Members may subscribe the present language of the Article recognizes that measures relating to employment must take fully into account any such provisions.

Location of the Article

17. The Sub-committee has learned that Sub-committee-B of the First Committee proposes a re-arrangement of the Articles in the Chapter whereby the Article on "Fair Labour Standards" would be removed from its present position between two Articles on balance-of-payments questions to a position at the end of the Chapter in order to secure continuity in the provisions relating to balances of payments. The Sub-committee agrees with the suggestion that for this reason the Article on fair labour standards should appear at the end of Chapter II.

ARTICLE _____

Fair Labour Standards

1. The Members recognize that measures relating to employment must take fully into account the rights of workers under international declarations, conventions and agreements. They recognize that all countries have a common interest in the achievement and maintenance of fair labour standards related to productivity, and hence in the improvement of wages and working conditions as advances in productivity may permit. The Members recognize that unfair labour conditions, particularly in production for export, create difficulties in international trade, and, accordingly, each Member shall take whatever action may be appropriate and feasible to eliminate such conditions.

2. Members which are also members of the International Labour Organization shall co-operate with that organization in giving effect to this undertaking.

3. The International Labour Organization shall be consulted in all matters relating to labour standards that may be referred to the Executive Board or to the Conference in accordance with the provisions of Article 90.
