

**United Nations
CONFERENCE
ON
TRADE AND EMPLOYMENT**

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JOINT SUB-COMMITTEE OF COMMITTEES II AND VI

NOTES ON TWENTY-FIRST MEETING

Held at the Capitol, Havana, Cuba 20 January 1948 at 6.00 p.m.

1. The representative of Mexico stated that the proposal of his delegation to delete paragraph 4 of Article 11 would be withdrawn if the proposals in relation to Article 12 contained in E/CONF.2/C.2/B/W.11 were accepted. It was agreed that paragraph 4 of Article 11 should stand subject to the right of the representative of Mexico to raise the matter again if he was not satisfied with the text of Article 12 as finally approved.
2. With reference to the decision of the sixteenth meeting to make an addition to paragraph 3 of Article 11 with regard to the equitable distribution of skills, arts, technology, materials and equipment as indicated in E/CONF.2/C.2&6/A/W.18. The Joint Sub-Committee of Committees II and VI expressed the opinion that, while it was difficult to be precise at this stage as to the nature of appropriate measures, more equitable and widely spread use of the means to economic development could be achieved by joint action by Members. It seemed desirable, therefore, that it should be made clear that the Organization had the necessary authority, with due respect to the functions and activities of other inter-governmental organizations, to make recommendations for and promote agreements whether bilateral or multilateral to provide for such joint action, if study of the circumstances suggested that such a course were desirable. The Sub-Committee drew attention to the fact that whether any agreements would in fact be concluded was dependent upon the willingness of governments to enter into them and that the scope of such agreements would be dependent upon the discretion of the governments concerned.

The Sub-Committee felt that the text approved would enable the Organization to make recommendations and promote international agreements to assist countries encountering difficulties as a result of shortages.

The Sub-Committee considered that:

- (a) the words "facilitate an equitable distribution" made clear that conditions of "shortage" as stated in the Chilean amendment /and condition

- and condition of "short supply" as stated in the Afghanistan amendment were contemplated, since if supplies were ample the problem of equitable distribution would not arise;
- (b) the promotion of an agreement to facilitate an equitable distribution of skills, arts, technology, materials and equipment, was not restricted by the use to which these facilities were put, i.e. if these facilities were essential to established industries as well as to economic development, the Organization could recommend an agreement in appropriate circumstances;
- (c) without presuming to judge whether such action would in fact be desirable, the text approved would permit the Organization, if it believed that speculation was affecting the equitable distribution of the facilities referred to in Article 11 and it judged that such action was relevant and appropriate, could recommend and promote agreements between governments providing for measures against speculation;
- (d) "industrial patents" would be included in the term "technology", consequently, without prejudice to the discussion in the Sub-Committee of the new Article 11 A proposed by Chile, the purpose of paragraph 3 (b) of that proposal might be met by this amendment;
- (e) in the light of the note of the Pakistan delegation appearing on page 3 of E/CONF.2/C.2/9 the authority granted to the Organization to make recommendations and promote agreements designed to facilitate an equitable distribution of skills, arts, technology, materials and equipment would enlarge the scope of the co-operation and the assistance which the Organization could give to Members in accordance with Article 10 and would be of assistance to countries which, as envisaged in the Pakistan amendment to Article 10, were having difficulties in obtaining the capital goods, equipment and materials which they required.
3. In view of the fact that informal discussions were taking place between certain delegations with regard to paragraph 3 of new Article 12 A proposed by Colombia it was decided to postpone further consideration of this paragraph.
4. Consideration was given to the recommendation of Working Party No. 3 regarding paragraph 3 (a) of new Article 11 A proposed by Chile. It was agreed to accept the recommendation of the Working Party that additional sub-paragraph (f) should be included in Article 69 as indicated below:

Article 69

Functions

The Organization shall perform the functions provided for elsewhere in this Charter. In addition the Organization shall have the

/following

following functions:

- (a)
- (b)
- (c)
- (d)
- (e)
- (f) in such collaboration with the Economic and Social Council of the United Nations and with other inter-governmental organizations as may be appropriate, to undertake studies on the relationship between world prices of primary commodities and manufactured products, to consider and, where appropriate, to recommend international agreement on, measures designed to reduce progressively any unwarranted disparity in those prices.

The Chairman indicated that Article 69 as such was not within the terms of reference of the Joint Sub-Committee of Committees II and VI and it was agreed that he should communicate with the Chairman of Committee VI advising him of the proposed disposal of paragraph 3 (a) of new Article 11 A proposed by Chile and asking him to advise in due course in reply as to the disposal of the proposed addition to Article 69.
