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SOCIAL COUNCIL

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DRAFTING COMMITTEE OF THE PREPARATORY COMMITTEE
OF THE UNITED NATIONS CONFERENCE
ON TRADE AND EMPLOYMENT

TEXT OF CHAPTERS I, III and IV

Suggested by the Delegation of the United States

CHAPTER I. PURPOSES

Article 1. General Purposes

The purposes of the International Trade Organization shall be World Trade Charter are:

1. In general To promote national and international action for the expansion of the production, exchange and consumption of goods, for the achievement and maintenance in all countries of high levels of productive employment, effective demand and real income, for the development of the economic resources of the world, and for the reduction of tariffs and other trade barriers and for the elimination of all forms of discriminatory treatment in international commerce; thus contributing to an a balanced and expanding world economy, to the establishment and maintenance in all countries of high levels of employment and real income, and to the creation of economic conditions conducive to the maintenance of world peace to the creation of conditions of economic and social progress essential to world peace, and to the achievement of the economic and social objectives of the Charter of the United Nations.
2. To further the enjoyment by all Members, on equal terms, of access to the markets, products and productive facilities which are needed for their economic prosperity and development.

/3. To encourage

3. To encourage and assist the industrial and general economic development of Members, particularly of those still in the early stages of industrial development.

4. To promote the solution of problems in the field of international commercial policies and relations trade, employment and economic development through consultation and collaboration among Members.

5. To enable Members to avoid recourse to measures destructive of world commerce, employment and development by providing, on a reciprocal and mutually advantageous basis, increasing opportunities for their trade and economic development.

6. To provide for international machinery a centralized agency for the co-ordination of the work of Members to the above ends.

The International Trade Organization shall be guided in all its decisions by the purposes set forth in this Article.

CHAPTER III. EMPLOYMENT

Article 3. Relation of Employment to the
Purposes of the Organization

1. Members recognize that the avoidance of unemployment or under-employment through the achievement and maintenance in each country of useful employment opportunities for those able and willing to work and of high and steadily rising effective demand for goods and services is not of domestic concern alone, but is a necessary condition for the expansion of international trade, for the well-being of other countries, and, in general, for the realization of the purposes of [the Organization] this Charter. They also recognize that measures to sustain demand and employment should be consistent with the other purposes and provisions of this Charter [the Organization], and that in the choice of such measures, each country should seek to avoid creating balance-of-payments difficulties for other countries.

2. [They] Members agree that, while the achievement and maintenance of [effective demand and] employment and effective demand must depend primarily on domestic measures, such measures should be assisted by the regular exchange of information and views among Members and, so far as possible, should be supplemented by international action sponsored by the Economic and Social Council of the United Nations and carried out in collaboration with the appropriate specialized inter-governmental [Organizations] agencies, acting within their respective spheres and consistently with the terms and purposes of their basic instruments.

Article 4. The Maintenance of Domestic Employment

Members shall take action designed to achieve and maintain full and productive employment and high and stable levels of effective demand within their own jurisdictions through measures appropriate to their political and economic institutions and compatible with the other purposes and provisions of [the Organization] this Charter.

/ [Article 5.

Article 5. The Development of Domestic Resources
and Productivity

Members, recognizing that all countries have a common interest in the productive use of the world's resources, agree to take action designed progressively to develop economic resources and to raise standards of productivity within their jurisdiction through measures compatible with the other purposes of the Organization.]

Article 6 5. Fair Labour Standards

Members, recognizing that all countries have a common interest in the maintenance of fair labour standards, related to national productivity, agree to take whatever action may be appropriate and feasible to eliminate sub-standard conditions of labour in production for export and generally throughout their jurisdiction.

Article 7 6. The Removal of Maladjustments in the
Balance of Payments

Members agree that in case of a fundamental dis-equilibrium in their balance of payments involving other countries in persistent balance-of-payments difficulties which handicap them in maintaining employment, they will make their full contribution to action designed to correct the maladjustment.

Article 8 7. Safeguards for Countries Subject to
External Deflationary Pressure

The Organization shall have regard, in the exercise of its functions as defined in the other Articles provisions of this Charter, to the need of Members to take action within the provisions of the Charter to safeguard their economies against deflationary pressure in the event of a serious or abrupt decline in the effective demand of other countries.

Article 9 8. Consultation and Exchange of Information
on Matters Relating to Employment

Members agree to participate in arrangements undertaken or sponsored by the Economic and Social Council of the United Nations, including arrangements with the appropriate specialized inter-governmental organizations agencies.

(a) for the regular

(a) for the regular collection, analysis and exchange of information on domestic employment problems, trends and policies, including [as far as possible] information relating to national income, demand, and the balance of payments; and

(b) for consultation with a view to concerted action on the part of governments and inter-governmental organizations in the field of employment policies.

CHAPTER IV. ECONOMIC DEVELOPMENT

Article [10] 9. Importance of Economic Development

Members recognize that all countries have a common interest in the productive use of the world's resources; that the industrial and general economic development of all countries, and [in] particularly of those [countries whose] in which resources are as yet relatively undeveloped, will improve opportunities for employment, enhance the productivity of labour, increase the demand for goods and services, [Contribute to economic stability,] expand international trade, and raise levels of real income, thus strengthening the ties of international understanding and accord.

Article [11] 10. Plans for Economic Development

1. [Members undertake to promote the continuing industrial and general economic development of their respective countries and territories in order to assist in realizing the purposes of the Organization.] Members shall take action designed progressively to develop economic resources and raise standards of productivity within their jurisdiction through measures compatible with the other purposes and provisions of this Charter.

2. Members [agree that they will] shall co-operate through the Economic and Social Council of the United Nations and the appropriate specialized inter-governmental [organizations] agencies in promoting industrial and general economic development.

(3. The Organization, [at] upon the request of any Member, shall advise such Member concerning its plans for economic development and, within its competence and resources, shall provide such Member with technical assistance in completing its plans and carrying out its programmes.)

Article [12] 11. Means of Economic Development

1. Members recognize that progressive economic development is dependent upon the availability of adequate supplies of

(a) capital funds; and

(b) materials, equipment, advanced technology, trained workers and
/managerial skill.

managerial skill.

2. Members agree to impose no unreasonable impediments that would prevent other Members from obtaining access to facilities required for their economic development.
3. Members agree to co-operate within the limits of their power to do so, with the appropriate inter-governmental organizations of which they are members in the provision of such facilities.
4. Members agree that, in their treatment of other Members, and of business entities or persons within the jurisdiction of other Members, which supply/ing them with facilities for their industrial and general economic development, not only will they conform to the provisions of their relevant international obligations, now in effect, or which they may undertake pursuant to Article 61 (5) or otherwise, but also that in general they will take no unreasonable action injurious to the interests of such other Members, business entities or persons.
5. The Organization shall receive from any affected Member, or with the permission of that Member from business entities or persons within its jurisdiction, complaints that action by another Member is inconsistent with its obligations under paragraphs 2, 3 or 4. In the event of such complaint, the Organization may, at its discretion, request the Members concerned to enter into consultation with a view to reaching a mutually satisfactory settlement and lend its good offices to this end. Any Member or, with the permission of a Member, any affected business entity or person within that Member's jurisdiction, may submit to the Organization a complaint that action by another Member is inconsistent with its obligations under paragraphs 2, 3 or 4. The Organization may, in its discretion, sponsor and assist in consultations between the Members concerned with a view to reaching a satisfactory adjustment of the matter. If no such adjustment can be effected, the matter may be referred to the Organization in accordance with paragraph 2 of Article 35.

Article ~~13~~ 12. Governmental Assistance to Economic
Development

1. Members recognize that special governmental assistance may be required in order to promote the establishment or reconstruction of particular industries, and that such assistance may take the form of protective measures.

2. Members recognize that an unwise use of such protection would impose undue burdens on their own economies and unwarranted restrictions on international trade, and might increase unnecessarily the difficulties of adjustment for the economies of other countries.

3. (a) If a Member, in the interest of its programme of economic development, ~~proposes to employ~~ considers it desirable to adopt any protective measure ~~which~~ which would conflict with any ~~of its~~ obligations under or pursuant to the Charter, ~~other provision of this Charter, or with any obligations which the Member has assumed through negotiation with other Members pursuant to Chapter V, it shall inform so notify~~ the Organization and shall transmit to the Organization ~~any finding~~ a written statement as to the considerations in support of this proposal the adoption of the proposed measure. The Organization shall promptly inform those Members whose trade would be substantially affected by the ~~proposal~~ proposed measure and afford them an opportunity to present their views. The Organization shall then promptly examine the ~~proposal~~ proposed measure in the light of the provisions of this Chapter, the ~~findings~~ considerations presented by the applicant Member, the views presented by the other Members which would be substantially affected by the proposed measure, and such criteria as to productivity and other economic factors as it may establish, taking into account the stage of economic development or reconstruction of the Member.

/(b) If, as a

(b) If, as a result of its investigations examination pursuant to sub-paragraph (a), the Organization determines upon concur in any measure which would be inconsistent with any obligation that the applicant Member has assumed through negotiation with any other Member is pursuant to Chapter or would reduce which would tend to nullify or impair the benefit to such other Member is of any such obligation, the Organization shall sponsor and assist in negotiations between the applicant Member and the other Member or Members substantially affected, with a view to obtaining substantial agreement. Upon such agreement being reached the Organization may release the applicant Member from the obligation in question or from any other relevant obligation under the Charter, subject to such limitations and conditions as the Organization may impose or as may have been agreed upon in the negotiations between the Members concerned.

(c) If, as a result of its investigations examination pursuant to sub-paragraph (a), the Organization concurs in any measure, other than those provided for covered in sub-paragraph (b), which would be inconsistent with any obligation assumed under other provision of this Charter, the Organization may, in its discretion, release the applicant Member from the obligation in question, subject to such limitations and conditions as the Organization may impose.
