

SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE
UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENTNon-Governmental Organizations

Summary Record of Meeting of Consultative Committee
with Representative of the World Federation of Trade
Unions held at 4.30 p.m. on June 20, 1947 in the
Palais des Nations, Geneva

Chairman: Dr. H. C. Coombs

Present: Mr. S. Ranganathan
Dr. Frant. Kraus
M. Baraduc
M. Royer
Mr. Clair Wilcox
H.E. Erik Colban
Mr. J. E. Meade
Dr. T. T. Chang

Representative of the World Federation of
Trade Unions:
M. Jean Duret

The CHAIRMAN inquired whether M. Duret would consider it satisfactory to use as an agenda for the discussion of his memorandum (E/PC/T/89) the list of points which the Secretariat had extracted from his paper. M. Duret indicated that this procedure would be agreeable. Accordingly, the Committee proceeded to discuss the points in the order in which they were listed in the Secretariat document.

1. Reference to the Failure to Mention full Employment except in Article 4.
2. Suggestion that there be added in Article 3 (immediately following the words "goods and services") the words "by the systematic application of a policy of full employment".

M. Duret suggested that these two points be discussed together in view of their close relationship. In the discussion of these points M. Duret referred particularly to the view of one Delegation, as mentioned in paragraph 7 of the report by the

Sub-committee on Chapter III (E/PC/T/95), that the term "real income" might appear in Chapter III in order to make it clear that an increase in effective demand should be accompanied by a corresponding growth in the real income of all sections of the community if full employment is to be maintained. M. Duret indicated that this proposal expressed somewhat the same thought as he had in mind when he proposed the addition of the words "by the systematic application of a policy of full employment".

The CHAIRMAN observed that the additional words suggested by M. Duret would, in his judgment, complicate acceptance of the Charter by some Delegations and were in any event unnecessary since the basic concept of full employment already appeared in the Charter both in Article 1 and in Article 4. He felt that the reference to "unemployment" and "under-employment" and to "effective demand" adequately conveyed the meaning which M. Duret apparently intended without, however, raising controversial points concerning the elements of a full employment policy. In this connection he observed that the details of a full employment policy might vary widely from one country to another and from one type of economy to another. The CHAIRMAN considered that the essential objective was already covered by the sections in the Charter to which he had referred.

A member of the Committee expressed his general agreement with the statement by the CHAIRMAN and maintained that the present treatment of the subject in the Charter was a logical one inasmuch as the objective of full employment is stated prominently in Article 1 and is defined in more detail in Articles 3 and 4. He doubted that further use of the term would be helpful.

The member of the Committee whose Delegation had made the suggestion concerning the inclusion of "real income" during the meetings of the Sub-committee on Chapter III expressed his

agreement with M. Duret's insistence on a recognition of the interdependence of full employment and the distribution of income. He considered, however, that this relationship could be stated more appropriately in the general statement of purposes in Article 1. He intimated that his Delegation planned to propose an amendment to the present text of sub-paragraph 1 (b) in Article 1, adding after the words "real income" in the text proposed by the New York Drafting Committee some such words as "as broadly (evenly) (justly) (adequately) distributed as possible".

Another member of the Committee inquired whether M. Duret's point might be covered if the word "satisfactory" were to be added before "employment opportunities" and the word "widespread" before the words "effective demand" in paragraph 1 of Article 3.

M. Duret indicated that his suggestion to add the words "by the systematic application of a policy of full employment" might be met by using instead the phrase "by increasing the real income of the masses (of the people)".

The CHAIRMAN remarked that in the further discussion of Chapter III Delegations would be aware of the suggestions made by M. Duret on these two points as elaborated in Document E/PC/T/89.

3. Suggested Revision of paragraph in Article 3 to take account of Differences confronting Industrialized Countries, Under-developed Countries, and Devastated Areas in Achieving Full Employment.

The CHAIRMAN pointed out that the special problems of under-developed countries are dealt with in Chapter IV in detail and recognized in Chapter III by the reference to "under-employment" as well as "unemployment". He remarked also that the problems of devastated areas would presumably be primarily

of a balance of payments character and, accordingly, might be considered to be covered by Articles 6, 7, 8 and 26 to the extent that they could appropriately be dealt with in such a Charter. He observed that in a general chapter on employment it was scarcely possible to deal separately with all the various types of countries or economies. Instead an attempt had been made to deal with the principal types of problems relating to the international aspects of employment.

A member of the Committee suggested that a reference might be made in the Charter or in the Report of the Preparatory Committee to the resolution adopted by the Economic and Social Council (E/PC/T/56). He thought that it might be appropriate to recognize in that manner the distinction between the employment problems of the different types of countries.

4. Suggested Revised Paragraph "a" in Article 4 to give Pre-eminence to the Employment Objective.

One member of the Committee expressed his sympathy with the suggestion made by M. Duret and agreed with him that some order of precedence should be established for the various purposes of the Charter in Chapter 1.

The CHAIRMAN doubted that an order of precedence with any real significance could be devised or would be acceptable. He remarked that in drafting the Charter an attempt had been made to insure that in typical situations adequate provision be made for resolving economic difficulties consistently with high levels of employment.

Another member of the Committee remarked that the importance of the employment objective appeared to be explicitly recognized already in paragraph 3(e) of Article 26 in which the Organization is prohibited from recommending "the withdrawal or general relaxation of restrictions on the ground that the existing or prospective balance of payments difficulties of the Member in

question could be avoided by a change in that Member's domestic employment policies".

5. The Substitution of "other countries" for "other Members".

M. DURET deplored the distinction between Members and non-Members which appeared to him to be implied in the present language. He expressed his concern that such a distinction might encourage the formation of conflicting economic blocs. He doubted that the difference between the treatment of Members and of non-Members would offer much inducement for non-Members to join the Organization. He added that the present provisions concerning state trading in Articles 31, 32 and 33 would do more to discourage adherence to the Organization than any distinction between Members and non-Members could do to encourage adherence.

The CHAIRMAN emphasized that the language at present used in this Article should not be regarded as prejudging the general question of relations with non-Members. He remarked that even though Members, by accepting the Charter, may not be undertaking any obligations directly to non-Member countries, Members would in their own interests be unlikely to disregard the effects which conditions in non-Member countries might have on international trade. The CHAIRMAN added that the question of relations between Members and non-Members would be simplified by the adherence to the Organization of as many countries as possible. To that end, he felt, the Preparatory Committee and the World Conference would be desirous of facilitating adherence by countries of all kinds of economic and political structure.

The CHAIRMAN assured M. Duret that the various points which had been made in his paper and in the present discussion would be brought to the attention of the commissions and sub-committees for consideration in connection with the articles to which they referred.

The Meeting rose at 6.15 p.m. to reconvene at 4.30 Thursday, June 26, for a continuation of the discussion on the points raised in document E/PC/T/89.