

SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE
UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT

Summary Record of the Meeting of the Consultative
Committee with the Representative of the World
Federation of Trade Unions held at 4.30 p.m.,
Thursday, July 3, 1947, in the Palais des Nations,
Geneva.

Chairman: M. Royer presided, in view of the
unavailability of Dr. Coombs to attend
the meeting throughout.

Present: Mr. Edwin Arnold
Mr. Odd Gothe
Mr. J. Meade
Dr. H. C. Coombs (for part of the
meeting)
Mr. J. G. Phillips

Representative of the World Federation of
Trade Unions:

M. Jean Duret

Point 12 in the Annexure to E/PC/T/110.

The Representative of the WFTU explained the reasons for
suggesting the addition to Article 9 of the words "provided it
is accompanied by a clear-sighted and rational economic and
social policy", supplementing the explanation already presented
in E/PC/T/89. M. Duret considered the addition of this
proviso necessary in order to avoid the impression that any
development policy, regardless of its objectives or methods,
would necessarily contribute to the achievement of the
objectives now stated in Article 9. He remarked that, in his
view, economic development of under-developed areas in the
past had not always been accompanied either by improvement in
the well being of the populations concerned or by either

domestic or international stability. Colonial development had frequently followed a course which made necessary the adaptation of the existing native economy in a manner which had often been unsatisfactory and difficult for the population concerned. The qualifying words which the WFTU had proposed were designed to encourage the correction of such tendencies in economic development and thus to assist in achieving the economic stability and full employment which were the essential objectives of both Chapters III and IV.

Several members of the Committee indicated their agreement with the Representative of the WFTU that the words "industrial and general economic development" should be qualified in a manner which would indicate that the article was intended to encourage the achievement of such development in a manner consistent with the purpose stated in that article and elsewhere in the Charter.

It was agreed that the suggestion made by the Representative of the WFTU and the report of the discussion thereon should be brought to the attention of the Sub-committee concerned with Chapter IV with a recommendation that the Sub-committee should consider the desirability of introducing appropriate qualifying language.

In connection with this point, M. Duret presented a paper to the Committee setting forth the views of the WFTU on the general problem of foreign investments. The Committee decided that this paper should be circulated as a document in the same manner as other submissions by representatives of qualified non-governmental organizations, and that the document should be brought to the attention of the Sub-committee dealing with Chapter IV. This paper has now been issued as Document E/PC/T/118.

Point 13.

M. Duret expressed the view that it would be appropriate to add the words "and employment" after "productivity" in Article 10 in order to retain the balance established in Chapter III and to offset any tendency to replace "employment" by "production". A member of the Committee expressed the opinion that if Article 10 were to be regarded as a general statement of purpose such an addition might be appropriate, but that if the article were to be considered as involving a definite commitment "to raise productivity" the addition of "employment" might weaken the commitment by rendering the article too general. He remarked that, in his judgment, Article 10 represented a definite commitment concerning productivity in the same way as Article 4 represented a definite commitment in respect of employment. There was a general inclination in the Committee to agree with this interpretation and, hence, to oppose the addition of "employment" to this article.

Point 14.

The CHAIRMAN questioned the need for making specific provision covering consultation with the WFTU in Article 11, in view of the fact that Article 81 already made general provision for the establishment by the Organization of such arrangements with non-governmental organizations as might prove to be desirable.

Another member inquired whether it was the intention of the WFTU that such a reference should appear only in Article 11 or also in other articles dealing with subjects in which the WFTU had an interest. He remarked that once such a specific reference is introduced in any particular article two possible situations might develop, either of which would appear to be quite unsatisfactory. On the one hand the reference to the WFTU might be confined to that one article. In that event the inclusion of the reference in that article and the omission of such a reference from other parts of the

Charter might have the effect of excluding the WFTU from consultation in the case of every subject covered by articles in which such a reference did not appear even though in the light of experience it might prove desirable for the Organization to have the benefit of consultation on those subjects. On the other hand, to avoid this possibility, the inclusion of the reference to the WFTU in Article 11 might be accompanied by the inclusion of similar references to the WFTU - and to each of the other six category "A" non-governmental organizations where appropriate - in every other article which appeared now to be of possible interest to the WFTU. If this latter course were to be followed a most confusing document would result and, in all probability, experience would show that judgments made at this stage as to the appropriate subjects for consultation between the Organization and the various non-governmental organizations were erroneous and not in the best interest of either party.

The alternative procedure, which had been employed in the present draft of the Charter, was to leave such arrangements for consultation to be worked out by the Organization in the light of experience, excluding from the Charter any reference to consultation on specific subjects. This member of the Committee expressed the view that the course which had been followed in producing the present draft Charter was in this respect a wise one.

The Representative of the WFTU indicated that his organization desired to ensure that it would be consulted on questions involving any aspect of labor. He expressed the view that, similarly, other non-governmental organizations should be assured that consultation would take place with them on their special subjects.

Point 15.

Concerning the suggestion that the word "labor" should be added after "managerial skill" in paragraph 1 of Article 12, the CHAIRMAN

observed that some modification was already being made in this language during the discussion in sub-committee and he was under the impression that the language which was likely to be adopted would embrace "labor" in some appropriate manner.

Point 16.

Concerning the meaning of the term "unreasonable action" in paragraph 2 of article 12, several members of the Committee indicated that this term would be subject to definition under the procedure established in paragraph 2 of Article 35 as the result of a specific complaint followed by consultation, investigation, etc. The members of the Committee expressed the view that "nationalization" as such could scarcely be considered "unreasonable" in itself, particularly in view of the fact that nationalized enterprises of various sorts are recognized in Articles 31, 32, 33 and in subparagraph (f) of paragraph 2 in Article 25.

The Committee agreed with the statement by M. Duret that "the mere fact of the nationalization of an enterprise, even if that enterprise involves foreign capital, is not of itself an unreasonable action" under the present text of the Charter.

Point 17.

Concerning the elucidation of the words "brought from one country to another" in paragraph C of Article 61, this point appeared to be covered by the discussion of the preceding point and by the comment in the Secretariat note annexed to E/PC/T/110.

General Discussion.

The Representative of the WFTU indicated his desire to discuss these and other matters further in the sub-committees or in the commissions. He expressed the hope that an opportunity would be afforded to him for such further discussion on both Chapters III and

IV. He indicated that the views of the WFTU on other parts of the Charter would be submitted shortly.

The Committee took note of the proposal which had been approved for the nomination of representatives to form a panel for the Consultative Committee by those Delegations not already represented. The Executive Secretary informed the Committee that up to the present time the Delegation of the Union of South Africa had been the only Delegation to nominate such representatives.

The meeting rose at 6.20 p.m.