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

Annotated Agenda (1)

Prepared by the Secretariat for the Discussion  
of Chapters III and IV (2)

CHAPTER III

EMPLOYMENT, EFFECTIVE DEMAND AND ECONOMIC ACTIVITY

Article 3 - Importance of Employment in relation to the Purposes  
of this Charter

The Delegation of Czechoslovakia intends to submit observations or amendments relating to this article.

Paragraph 1

It will be noted that the objective in respect of "effective demand" is stated in different terms in this paragraph (line 6 - "high and steadily rising") and in paragraph 1(b) of Article 1 (lines 4 and 5 of subparagraph b - "high and steadily rising levels") as compared with the expression of this objective in paragraph 1

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- (1) Incorporating proposals put forward by Delegations as noted in the commentary on the Report of the Drafting Committee and as reported to the Secretariat by Delegations prior to noon May 13. (see E/PC/T/DEL/24 and 31)
- (2) In accordance with previous practice it is suggested that the discussion of Chapters I and II be deferred in order that they might be considered in conjunction with Chapter VIII to which they particularly relate.

GENERAL NOTE:

In connection with the discussion of Chapters III and IV the attention of Delegations is drawn to the information reported in Document E/PC/T.69 concerning the activities of the Economic and Employment Commission and its Sub-Commissions.

of article 4 (line 3 - "high and stable levels"). Since the objective would seem to be the same in all three cases, it would appear to be desirable to employ uniform language to express that objective. The Preparatory Committee may wish to determine at this stage which version will be employed throughout.

Paragraph 2

Article 4 - Maintenance of Domestic Employment

Paragraph 1

The Delegation of Czechoslovakia intends to submit observations or amendments relating to this paragraph.

Concerning the expression "high and stable levels of effective demand" (line 3), please see the observation above relating to a similar expression in paragraph 1 of Article 3.

Paragraph 2

Article 5 - Fair Labour Standards

The reservation mentioned in the commentary of the D.C. Report (3) (page 6) was made by the Delegate for China.

The Delegation of Czechoslovakia intends to submit observations or amendments relating to this article.

Article 6 - The Removal of Maledjustments in the Balance of Payments

Article 7 - Safeguards for Members Subject to External Deflationary Pressure

The views on this article noted in the commentary of the D.C. Report (page 6) were expressed by the Delegate for France. To give effect to these views the French Delegation has presented for consideration the following text as a substitute for the present draft text of Article 7 (see Document E/PC/T/W60)

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(3) The expression "D.C. Report" as used in this document represents the Report of the Drafting Committee (E/PC/T/34).

"1. The Organization shall have regard to the possible need of Members to safeguard their economies against a serious and abrupt decline in the external demand for goods and services due to deflationary pressure from other countries.

2. When a Member is subject, or foresees that it will be subject, to the prejudicial effects of such pressure, it may, after consulting the Organization, take protective measures in derogation of the obligations contracted by it under the provisions of this Charter. Nevertheless, in critical and exceptional circumstances, such measures may be taken provisionally without previous consultation, on the understanding that the Organization shall be informed immediately after the application of these measures.

3. In the cases provided for in paragraphs 1 and 2, the Organization, either on its own initiative or at the request of a Member whose interests are substantially affected, shall convene a Conference with a view to defining, if necessary with the assistance of the specialised agencies, the measures to be taken within the competence of the Organization."

Article 8 - Consultation and Exchange of Information on Matters relating to Employment.

CHAPTER IV

ECONOMIC DEVELOPMENT

Article 9 - Importance of Economic Development in Relation to the Purposes of this Charter

The Delegation of Czechoslovakia intends to submit observations or amendments relating to this Article.

Article 10 - Development of Domestic Resources and Productivity

Article 11 - Plans for Economic Development

Paragraph 1

Paragraph 2

It was decided by the Drafting Committee that the first sentence of this paragraph should remain between square brackets pending consideration of the question by the Economic and Social Council at its Fourth Session. The Economic and Social Council has since considered the matter and its resolution adopted on 28 March 1947 has been circulated under E/PC/T/55.

The Delegation of Czechoslovakia intends to submit observations or amendments relating to this paragraph.

The Secretariat suggests the addition of the words "Economic and Social Council" to the second part of this paragraph as follows in order to make it conform to the language used in Article 8:

"The Organization may, in accordance with the principles of this Chapter, consult with and make recommendations to Members, the Economic and Social Council, and appropriate inter-governmental organizations relating to the encouragement of the industrial and general economic development of Member countries".

#### Article 12 - Means of Economic Development

##### Paragraph 1.

##### Paragraph 2.

The Delegation for India proposes that the following text be substituted for the present paragraph 2:

"Each Member which receives facilities for its industrial and general economic development shall not only carry out all international obligations regarding the treatment of the enterprises, skills, capital, arts and technology imported from other countries to which it may be subject or which it may undertake pursuant to sub-paragraph (c) of Article 61 or otherwise, but also shall in general take no unreasonable action injurious to the interest of the particular business entities or persons within the jurisdiction of other members which supply it with such facilities."

##### Paragraph 3.

The alternative text mentioned in the D.C. Report was proposed by the Delegates for France and the United Kingdom. (See also E/PC/T/W.59).

The Delegation of Czechoslovakia intends to submit observations or amendments relating to this paragraph.

#### Article 13 - Governmental Assistance to Economic Development

##### Paragraph 1

The Delegation for India proposes that the following text be substituted for the present paragraph 1:

"The Members recognize that special Governmental assistance may be required to promote the establishment or reconstruction of particular industries and that the grant of such assistance in the form of protective measures is justified." The Delegation of Czechoslovakia intends to submit observations or amendments relating to this paragraph.

Paragraph 2, sub-paragraph (a).

The reservations mentioned under (i) of comments concerning this paragraph were made by the New Zealand Delegation.

The reservations mentioned under (ii) of comments concerning this paragraph were made by the Cuban Delegation.

The new sub-paragraph mentioned under (iii) was proposed by the Delegate from Lebanon.

Paragraph 2, sub-paragraphs (b) and (c).

The reservations referred to in comments concerning paragraph 2 (b) were made by the Delegate for China.

Additional text

The additional text to Article 13 on page 8 of the D.C. Report was proposed by the Delegate for India and supported by the Delegates for China, Cuba and New Zealand.

The Delegation of India has advised the Secretariat that it is withdrawing the previously proposed additional text for this article in favour of a new Article that that Delegation has proposed to be inserted after Article 26 relating to quantitative restrictions for protective purposes.