

FIRST COMMITTEE: EMPLOYMENT AND ECONOMIC ACTIVITY

ANNOTATED AGENDA FOR CHAPTER II - EMPLOYMENT AND ECONOMIC ACTIVITY

Prepared by the Secretariat

This agenda relates to the draft of the Charter submitted by the Second Session of the Preparatory Committee (document E/PC/T/186) and consists of all amendments and proposals received from delegations up to, and including 6 December, the final date established by the Conference for the submission of formal amendments. Each of the proposed amendments has been issued as a separate document in the form of an addendum to document E/CONF.2/11 or E/CONF.2/C.1/3.

In this annotated agenda square brackets have been used in the texts of amendments to denote proposed deletions and underlining to indicate proposed additions. An asterisk (*) in the margin has been used to identify the proposals on which the First Committee had not completed its preliminary discussion by the end of the Sixth Meeting on 8 December.

The agenda also covers the draft resolution on Employment suggested by the First Session of the Preparatory Committee for consideration by this Conference.

Article 2 - Importance of Employment, Production and Demand in relation to the Purpose of this Charter

Paragraph 1

The delegation of Mexico proposes the following amendment (document E/CONF.2/11/Add.28):

"The 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 a large and steadily growing volume of production and effective demand for goods and services is not of domestic concern alone, but is also a necessary condition for the realization of the general purpose and the objectives set forth in Article 1 of this Charter, including the expansion of international trade, and thus for the well-being of all other countries/

/Proposed new Paragraph 2

Proposed new Paragraph 2

* The delegation of the Philippines proposes that the present Paragraph 2 and 3 should be renumbered 3 and 4 respectively, and that the following should be inserted as Paragraph 2 (document E/CONF.2/C.1/3/Add.4):

"The Members recognize that, due to factors beyond their control, the avoidance of unemployment or under-employment may be frustrated. Since it is the aim and objective of the Organization to foster an economic equilibrium which will insure the welfare of the people under adverse conditions, the Members shall encourage the adoption of social security measures that will provide comparative stability to labour."

Paragraph 2 of the Geneva Draft

The delegation of Peru proposes the following amendment (document E/CONF.2/11/Add.4):

"The Members recognize that, while the avoidance of unemployment or under-employment must depend [primarily] partly on domestic measures, such measures should be supplemented by concerted action, and in particular by international investment, under the sponsorship of the Economic and Social Council of the United Nations in collaboration with the appropriate inter-governmental organizations, each of these bodies acting within its respective sphere and consistently with the terms and purposes of its basic instrument."

Proposed new Paragraph 3

The delegation of Italy proposes the insertion of the following text as Paragraph 3 and, accordingly, suggests that old Paragraph 3 be renumbered Paragraph 4 (document E/CONF.2/11/Add.18):

"The Members recognize that the existence at the same time of the problems of unemployment and lack of manpower requires the gradual repeal of every restriction to international migrations not justified by vital requirements of the country concerned and suggest as a means to aid the solution of these problems in the most satisfactory manner, an international co-ordination of the employment services in accordance with the wishes expressed within the International Labour Organization and in co-operation with it."

Paragraph 3 of the Geneva Draft

No change in the text of this paragraph has been suggested.

Article 3 - Maintenance of Domestic Employment

Paragraph 1

* The delegation of Norway proposes the following amendment (document E/CONF.2/C.1/3/Add.7):

/"Each Member shall

"Each Member shall take action designed to achieve and maintain full and productive employment and large and steadily growing demand and to prevent wide fluctuations in the general level of demand or prices within its own territory through measures appropriate to its political, economic and social institutions."

The delegation of Mexico proposes the following amendment (document E/CONF.2/11/Add.28):

"Each Member shall take action designed to achieve and maintain full and productive employment and large and steadily growing demand within its own territory through measures [appropriate to] consistent with its political, economic and social institutions."

Paragraph 2

The delegation of Italy proposes the following amendment (document E/CONF.2/11/Add.18):

"Measures to sustain employment, production and demand shall be consistent with the other objectives and provisions of this Charter. Members shall seek, principally by means of international co-operation, to avoid measures which would have the effect of creating balance-of-payments difficulties for other countries."

* The delegation of the Philippines proposes the following amendment (document E/CONF.2/C.1/3/Add.4):

"Measures to sustain employment, production and demand shall be consistent with the other objectives and provisions of this Charter. [Members shall seek to avoid measures which would have the effect of creating balance-of-payments difficulties for other countries.]"

Proposes new Paragraph 3

The delegation of Mexico proposes the addition of the following paragraph (document E/CONF.2/11/Add.28):

"The Members shall, having regard to the conditions existing as regards the demand for labour in their respective territories, give favourable attention to requests for the engagement of workers to work temporarily in the country making the request. The latter country shall duly enact laws prohibiting the immigration of manual workers when, in the opinion in each case of the Government receiving the request, such immigration would be prejudicial to the economic and social interests of the country from which the workers are proceeding. The requesting country shall also impose penalties, making such action unprofitable, on employers in any part of its territory who engage or provide work without engagement for manual workers who have entered the country illegally. The provisions of this paragraph shall be in no way
/applicable to

applicable to political refugees or to persons leaving their country of origin or residence because of the existence therein of a forced labour system in time of peace."

Article 4 - Fair Labour Standards

The delegation of Peru proposes the following amendment (document E/CONF.2/11/Add.4):

"Each Member, recognizing that all countries have a common interest in the achievement and maintenance of fair labour standards related to productivity, shall take whatever action may be appropriate and feasible to eliminate sub-standard conditions of labour [in production for export and generally] throughout its territory. Members which are also etc. ..."

The delegation of Argentina proposes the following amendment (document E/CONF.2/11/Add.3):

"Each Member, recognizing that all countries have a common interest in the achievement and maintenance of fair labour standards related to productivity, shall take whatever action may be appropriate and feasible to eliminate sub-standard wages and conditions of labour in [production for export and generally throughout its territory] all fields of economic activity, whether engaged in production for export or not. Members which are also, etc. ..."

It will be noted that the French text of the Geneva Draft already refers to "des conditions de travail et de rémunération inférieures à la normale".

The delegation of Burma proposes the following amendment (document E/CONF.2/11/Add.23):

"Each Member, recognizing that all countries have a common interest in [the achievement and maintenance of fair labour standards related to productivity] steadily rising labour standards, shall take whatever action may be appropriate and feasible to eliminate sub-standard conditions of labour [in production for export and generally throughout its territory] and to achieve and maintain fair labour standards related to productivity. Members which are also, etc. ..."

The delegation of Ceylon proposes the following amendments to this Article (document E/CONF.2/11/Add.33):

"1. Each Member, recognizing that all countries have a common interest in the achievement and maintenance of fair labour standards related to productivity, shall take [whatever] action [may be appropriate and feasible] to eliminate sub-standard conditions of labour in production [for export and generally] throughout its territory. [Members which are also members of the International Labour Organization shall co-operate with that organization in giving effect to this undertaking.]

/"2. The Organization

"2. The Organization shall take steps to ascertain what action has been taken by Members in pursuance of paragraph 1, above, and shall submit an annual report thereon to the Conference of the Organization.

"3. Members which are also members of the International Labour Organization shall co-operate with that Organization in pursuance of the objects of paragraph 1 of this Article."

The delegation of the Union of South Africa proposes the following amendment of the last sentence in the present text of the Article (document E/CONF.2/C.1/3/Add.3):

"Any complaints received by the Organization under this Article shall be transferred to the International Labour Organization and members which are also, etc. ..."

The delegation of Mexico proposes the following amendment (document E/CONF.2/11/Add.31):

"Each Member, recognizing that all countries have a common interest in the achievement and maintenance of fair labour standards related to productivity, shall take whatever action may be appropriate and feasible to eliminate sub-standard conditions of labour in production for export and generally throughout its territory and to avoid any action likely to injure the production for export of another Member country by the maintenance in its territory of unfair conditions of labour. Members which are also, etc. ..."

The delegation of Colombia proposes the addition of the following sentence at the end of the present text of the Article (document E/CONF.2/C.1/3/Add.5):

"In the event of low costs of production of any particular product in the territory of any member country, due to unfair conditions of labour, causing or threatening to cause a competition prejudicial to other members, the Organization, at the request of any interested member, shall promptly investigate either directly or through the International Labour Organization, or in collaboration with that organization, and shall recommend whatever measures it may find necessary for a full compliance with this undertaking."

The delegation of Uruguay proposes the addition of the following paragraph after the present text of the Article (document E/CONF.2/C.1/3/Add.2):

"Nothing in this Charter shall be construed as preventing the adoption by a Member of reasonable and equitable measures to protect its industry from the competition of like products under sub-standard conditions of labour and pay."

/The delegation of Mexico

The delegation of Mexico proposes the addition of the following paragraph after the present text of the Article (document E/CONF.2/11/Add.28):

"2. In fixing wages, making promotions, and determining the type of work to be assigned to workers, the actual or original nationality of the workers shall not be a disadvantage. The Members shall enact laws embodying the principle of equal pay for equal work; imposing penalties on any act of discrimination against workers on grounds of nationality, origin, race, religion or sex, on the part of nationals or residents of the country in which such workers are employed, and in addition imposing penalties on employers who do not grant such workers the same economic and social advantages as are enjoyed by their own nationals."

The delegation of the Republic of Haiti proposes the addition of the following paragraph to the present text of this Article (document E/CONF.2/C.1/3/Add.1):

"2. Each Member shall endeavour, within the framework of its institutions, to grant the nationals of another Member country, legitimately admitted to its territory, fair conditions of labour and pay, and will take every step to guarantee equal social rights to all workers and labourers throughout its territories. The admission of the workers and labourers of any Member country into the territory of another shall be the subject of bilateral agreements."

Article 5 - Removal of Maladjustments within the Balance of Payments

Paragraph 1

The delegation of Denmark proposes the following amendment (document E/CONF.2/C.1/3/Add.6):

"In the event that a persistent maladjustment within a Member's balance of payments is a major factor in a situation in which other Members are involved in balance-of-payments difficulties which handicap them in carrying out the provisions of Article 3 without resort to trade restrictions, the Member shall make its full contribution, on its own initiative or after representation from the Organization, while appropriate action shall be taken by the other Members concerned, towards correcting the situation."

Proposed new Paragraph 2

* The delegation of Peru proposes the insertion of the following text as paragraph 2 and, accordingly, suggests that former paragraph 2 be renumbered paragraph 3 (document E/CONF.2/11/Add.32):

"The Organization shall preferably conduct its action in a manner tending to promote the regulating machinery provided for by the Charter in order, under satisfactory market and price conditions, to direct
/the placement of

the placement of the international trade balance during such periods in which maladjustments within the balance of payments extend in an increasing manner and, in the judgment of the Organization, threaten world general economy."

Paragraph 2 of the Geneva Draft

No change in the text of this paragraph has been suggested.

Article 6 - Exchange of Information and Consultation

Preamble to paragraph 1

No change has been suggested.

Sub-paragraph (a)

No change has been suggested.

Sub-paragraph (b)

* The delegation of Mexico proposes the following addition at the end of sub-paragraph (b) (document E/CONF.2/11/Add.31):

"... Provided that there is no attempt to impair the rights already acquired by workers or the rights embodied in the Declaration of Philadelphia and in any other agreement or convention setting forth safeguards for human rights in the field of labour."

Paragraph 2

No change has been suggested.

Article 7 - Safeguards for Members Subject to External Deflationary Pressure

No change has been suggested by any delegation.

Proposed new Article - (It has been suggested that this proposal be considered by Sub-Committee A along with Article 4)

* The delegation of Mexico proposes the addition of the following Article to Chapter II (document E/CONF.2/11/Add.31):

"No measure adopted to promote international trade may be such as to cause a decline in employment or in the real wages or standards of living of the workers in a country to a level below that prevailing before the adoption of the measure. In the event of the adoption of any such measure, a country which is or may be affected by the measure, may, after giving notice to the Organization, take such steps as it deems appropriate to avoid unemployment."

Draft Resolution Formulated by the First Session of the Preparatory Committee on International Action Relating to Employment (Document E/PC/T/33, page 6)

* The following suggestion was made by the First Session of the Preparatory Committee:

"It is suggested that the Economic and Social Council and the appropriate inter-governmental organizations should be invited by the United Nations Conference on Trade and Employment to consider what action might be taken in the international field to assist in

/maintaining full

maintaining full and productive employment and a high and stable level of world demand. It is thought that this invitation might best be extended in a separate resolution. A draft of this resolution for the consideration of the Conference on Trade and Employment is set out in the next paragraph.

THE UNITED NATIONS CONFERENCE ON
TRADE AND EMPLOYMENT

"CONSIDERING that a significant contribution can be made to the achievement and maintenance of full and productive employment and of high and stable levels of effective demand by international action sponsored by the Economic and Social Council and carried out in collaboration with the appropriate inter-governmental organizations, acting within their respective spheres and consistently with the terms and purposes of their basic instruments HEREBY ASKS the Economic and Social Council to undertake at an early date, in consultation with the appropriate inter-governmental organization, special studies of the form which such international action might take AND SUGGESTS that, in addition to covering the effects on employment and production of a lowering of barriers to trade, the studies of the Economic and Social Council should include a consideration of such measures as:

1. The concerted timing, to the extent which may be appropriate and practicable in the interests of employment policy, of national and international measures to influence credit conditions and the terms of borrowing;
2. National or international arrangements, in suitable cases, to promote due stability in the incomes of producers of primary products, having regard equally to the interests of consuming and producing countries;
3. The timing, to the extent which may be appropriate and practicable in the interests of employment policy, of capital expenditure on projects which are either of an international character or are internationally financed;
4. The promotion, under appropriate safeguards, of an international flow of capital in periods of world-deflationary pressure to those countries whose balance of payments needs temporary support in order to enable them to maintain domestic policies for full and productive employment."

In connection with the consideration of this item attention of delegation is drawn to the information paper issued by the Secretariat at the beginning of the present Conference, document E/CONF.2/5.