

United Nations
CONFERENCE
ON
TRADE AND EMPLOYMENT

Nations Unies
CONFERENCE
DU
COMMERCE ET DE L'EMPLOI

RESTRICTED

E/CONF.2/C.1/C/W.1)
7 January 1948
ENGLISH - FRENCH
ORIGINAL: ENGLISH

FIRST COMMITTEE: EMPLOYMENT AND ECONOMIC ACTIVITY

SUB-COMMITTEE C: PROPOSED RESOLUTION ON INTERNATIONAL
ACTION RELATING TO EMPLOYMENT

AGENDA FOR FOURTH MEETING

To be Held at 3.00 p.m. Wednesday 7 January 1948

1. Consideration of the report of the Drafting Group (see document E/CONF.2/C.1/C/W.10)
2. Other business.

PREMIERE COMMISSION : EMPLOI ET ACTIVITE ECONOMIQUE

SOUS-COMMISSION C : PROJET D'ORDRE DU JOUR AU SUJET
D'UNE ACTION INTERNATIONALE EN MATIERE D'EMPLOI

ORDRE DU JOUR DE LA QUATRIEME SEANCE

qui se tiendra le mercredi 7 janvier 1948, à 15 heures

1. Examen du rapport du Comité de rédaction (cf. document E/CONF.2/C.1/C/W.10)
2. Divers.

UNITED NATIONS

INTERIM CO-ORDINATING COMMITTEE

FOR

INTERNATIONAL COMMODITY ARRANGEMENTS

REVIEW

OF

INTERNATIONAL

COMMODITY ARRANGEMENTS

/INTERIM

INTERIM CO-ORDINATING COMMITTEE
FOR
INTERNATIONAL COMMODITY ARRANGEMENTS

To the Secretary-General of the United Nations,

The Interim Co-ordinating Committee for International Commodity Arrangements has the honour to report that it held its first meetings in Geneva in August and September 1947.

The Committee recognizes its obligation to do everything possible to reduce to a minimum the duplication which is likely to occur in work and in jurisdiction when there are a number of international bodies concerned with commodity arrangements, even though they are viewed from particular aspects.

This brief review is presented in the belief that each international commodity authority, in addition to each government, should have a knowledge of the work being done in the same field by other organizations, and that this will facilitate co-operation and avoid overlapping.

The Committee trusts that this review may be widely distributed not only to Governments but also to other interested organizations.

J. R. C. HELMORE Chairman

L. A. WHEELER Member

G. PETER Member

P. R. JUDD

Secretary
c/o Department of Economic Affairs
United Nations,
Lake Success,
New York

16 September 1947.

/REVIEW

REVIEW
OF
INTERNATIONAL
COMMODITY ARRANGEMENTS

- CHAPTER I. : THE ESTABLISHMENT OF THE INTERIM CO-ORDINATING
COMMITTEE FOR INTERNATIONAL COMMODITY ARRANGEMENTS.
- II. : GUIDING PRINCIPLES IN INTERNATIONAL COMMODITY ARRANGEMENTS.
- III. : EXISTING INTERNATIONAL COMMODITY ARRANGEMENTS.
- IV. : THE WORK OF THE INTERIM CO-ORDINATING COMMITTEE.
- V. : CO-ORDINATION MEASURES.
- APPENDICES
- A. : TEXT OF CHAPTER VI of draft Charter of the International
Trade Organization prepared by the Second (Geneva) Session
of the Preparatory Committee of the United Nations
Conference on Trade and Employment.
- B. : EXISTING COMMODITY ARRANGEMENTS
1. Coffee
 2. Cotton
 3. Meat
 4. Petroleum
 5. Rice
 6. Rubber
 7. Sugar
 8. Tea
 9. Timber
 10. Tin
 11. Wheat
 12. Wool

CHAPTER I
THE ESTABLISHMENT OF THE INTERIM CO-ORDINATING COMMITTEE
FOR INTERNATIONAL COMMODITY ARRANGEMENTS

Lack of System in Pre-War Approach

1. In the period before the 1939-45 war the international problems of individual primary commodities were not treated in a systematic manner; the problems of each commodity were considered by some of the parties concerned without consultation with others, and there was also no attempt to relate action being taken on various commodities.

War-Time Discussion of Specific Commodity Problems

2. During the war and the reconstruction periods some international management of many commodities was necessary; this was done through the various Combined Boards and the International Emergency Food Council. In anticipation of the longer-term post-war difficulties, commodity discussions were begun quite early during the war. Following a meeting in 1939 an International Cotton Advisory Committee was established in 1940. In 1941 a preliminary report was made regarding wheat arrangements and a Memorandum of Agreement made in 1942. Before the end of the war a Rubber Study Group was convened. At the 1943 Hot Springs meeting and subsequent Conferences of the Food and Agriculture Organization the general methods of commodity control also came under consideration.

Development of Principles

3. Meanwhile commodity policy was being approached from the wider standpoint of international trade policy as a whole. The "Proposals for Expansion of World Trade and Employment,"** included a statement of certain principles which should govern the use of commodity agreements in a general setting of multilateral trade. These Proposals elaborated into a "Suggested Charter for an International Trade Organization" were used as a basis of discussion by the Preparatory Committee of the United Nations Conference on Trade and Employment. The Committee prepared a draft Charter for an International Trade Organization*** which establishes, among other things, a set of principles for commodity agreements and suggests machinery for the co-ordination of the activities of various bodies concerned with commodity problems. Meanwhile, the Food and

* See Appendix B, No. 11.

** Issued by the United States Department of State on 6 December 1945.

*** Subsequently in this Report, the abbreviation ITO is used for international Trade Organization.

Agriculture Organization had given consideration to the techniques which might be used in arrangements for agricultural commodities.

Need for Interim Action

4. By 1946 a number of inter-governmental commodity discussions were already under way, and it became clear that a systematic and co-ordinated approach was required. However, as it was apparent that it would be some time before the draft Charter could become operative and the ITO could be established, it was necessary to devise some interim machinery to co-ordinate inter-governmental action on commodity matters.

Resolution of London Session of the Preparatory Committee

5. At the First Session* of the Preparatory Committee held in London in 1946, the following Resolution was adopted requesting the Economic and Social Council to establish a Committee to co-ordinate commodity arrangements:

"Whereas certain difficulties of the kind referred to in the Chapter on Inter-governmental Commodity Arrangements of the Charter appended to the Report of the Preparatory Committee have already occurred in respect of certain primary commodities and the Governments concerned are already taking action on the general lines proposed in the Chapter and

"Whereas similar difficulties may occur in respect of other primary commodities and

"Whereas the Preparatory Committee is agreed that it is desirable that action taken in respect of such commodities should proceed on the general lines proposed in the Chapter above-mentioned.

"The Preparatory Committee of the International Conference on Trade and Employment:

"Recommends that, in so far as inter-governmental consultation or action in respect of particular commodities is necessary before the International Trade Organization is established, the Governments concerned should adopt as a guide the Chapter on Inter-governmental Commodity Arrangements of the Charter appended to the Report of the Committee and

"Requests the Secretary-General of the United Nations pending the establishment of the International Trade Organization to appoint an Interim Co-ordinating Committee for International Commodity Arrangements, to consist of the Executive Secretary of the Preparatory Committee for an International Conference on Trade and Employment as Chairman, a representative from the Food and Agriculture Organization to be concerned

* See paragraph 9.

/with agricultural

with agricultural primary commodities, and a person to be selected at the discretion of the Secretary-General to be concerned with non-agricultural primary commodities, this Committee to keep informed of inter-governmental consultation or action in this field and to facilitate by appropriate means such consultation or action."

Report of FAO Preparatory Commission

6. The Food and Agriculture Organization Preparatory Commission on World Food Proposals, which met in Washington from October 1946 to January 1947, endorsed the objectives laid down in the draft Charter for an ITO in regard to Inter-Governmental Commodity Arrangements. It considered the question of co-ordination and stated in its Report (paragraph 239) that it believed:

"(1) That, pending the establishment of the proposed International Trade Organization, a temporary Co-ordinating Committee, or similar body, should be created promptly by the United Nations; which Committee should keep itself informed of consultation or action in respect of inter-governmental arrangements for agricultural and non-agricultural primary commodities, and facilitate by appropriate means such consultation or action;

(2) That this Co-ordinating Committee should be comprised of three highly qualified persons, one of whom should be nominated by the Food and Agriculture Organization, and should be concerned, in particular, with agricultural primary commodities."

Establishment of the Committee by the Economic and Social Council

7. Acting on the requests of the International Conferences mentioned above, the Economic and Social Council of the United Nations on 28 March 1947 adopted the following Resolution:

"The Economic and Social Council

Noting that inter-governmental consultations are going forward actively with respect to certain internationally traded commodities, and considering the significant measure of agreement regarding commodity problems and the co-ordination of commodity consultations already reached both in the first session of the Preparatory Committee of the United Nations Conference on Trade and Employment, and in the Preparatory Commission on World Food Proposals of the Food and Agriculture Organization of the United Nations,

Recommends that, pending the establishment of the International Trade Organization, Members of the United Nations adopt as a general guide in inter-governmental consultation or action with respect to commodity

/problems

problems the principles laid down in Chapter VII* as a whole, i.e. the chapter on inter-governmental commodity arrangements of the draft charter appended to the report of the first session of the Preparatory Committee of the United Nations Conference on Trade and Employment, although recognizing that discussion in future sessions of the Preparatory Committee of the United Nations Conference, as well as in the Conference itself, may result in modification of the provisions relating to commodity problems, and

Requests the Secretary-General to appoint an interim co-ordinating committee for international commodity arrangements to keep informed of and to facilitate by appropriate means such inter-governmental consultation or action with respect to commodity problems, the Committee to consist of a chairman to represent the Preparatory Committee of the United Nations Conference on Trade and Employment, a person nominated by the Food and Agriculture Organization of the United Nations to be concerned in particular with agricultural primary commodities, and a person to be concerned in particular with non-agricultural primary commodities."

* In the Geneva draft this becomes Chapter VI, which reference is now used.

CHAPTER II

GUIDING PRINCIPLES IN INTERNATIONAL

COMMODITY ARRANGEMENTS

8. It will be seen from the Resolution quoted in the previous paragraph that the Economic and Social Council of the United Nations has urged all member Governments to accept the principles of the appropriate chapter of the draft Charter for an International Trade Organization as a guide in making commodity arrangements. The Committee therefore considers it appropriate to submit a short review of these principles.

9. The draft Charter to which the Economic and Social Council resolution refers, has been prepared by an inter-governmental Preparatory Committee, established by the Council, and charged with the preparation of an annotated draft agenda for an International Conference. The First Session of the Committee was held in London in October and November 1946, and issued a Report containing a draft Charter for an ITO, and this was examined by a Drafting Committee, which met in New York in January and February 1947. The Second Session of the Preparatory Committee met in Geneva from April to September 1947 and produced a revised draft, printed and published as the "Report of the Second Session of the Preparatory Commission of the United Nations Conference on Trade and Employment",* for consideration by an International Conference to be held in Havana on 21 November 1947.

10. The full text of Chapter VI, dealing with inter-governmental commodity arrangements, of this draft Charter for an ITO is given as Appendix A to this Report, but the Committee feels that it might be helpful to set out in general terms the underlying principles of the Chapter.

11. Under the draft Charter for an ITO measures otherwise debarred to Members of the proposed ITO are permitted when Governments employ inter-governmental commodity agreements conforming to the principles set out in Chapter VI. This would allow governments to employ multilateral commodity agreements which they deem desirable even if they involve certain measures otherwise prohibited under the Charter.

The Approach of the draft Charter for an ITO to Commodity Problems

12. The draft Charter for an ITO recognizes that the problems connected with primary commodities are of a special nature, and provides a systematic approach to the solution of such problems. The basis of the procedures established is that there should be careful examination of all aspects of a commodity problem before action is taken, and that such examination should be

* United Nations document E/PC/T/186.

/conducted

conducted on a wide basis with adequate representation of all the interests involved. Agreements of a restrictive nature are only to be used in certain unavoidable circumstances, and the general desirability of increasing consumption of primary products is accepted. Such agreements may aim to stabilize the prices of primary commodities at a level which will be fair both to efficient producers and to consumers. Guiding principles for the administration of agreements are laid down and provision made for co-ordinating the activities of various international bodies concerned with commodity matters. However, no attempt is made to lay down the particular methods to be used in dealing with commodity difficulties. These have to be worked out by discussion and negotiation between the countries specially concerned with the particular commodities.

Inter-relation of Production, Consumption and International Trade

13. Experience during the great depression has shown that adequate standards of consumption and nutrition cannot be achieved merely by increasing production; satisfactory conditions of international trade are also necessary if these objectives are to be attained. Independent action to remedy the difficulties of the producers of a particular commodity may have adverse repercussions on the international trade position of other countries, and Chapter VI of the draft Charter for an ITO is designed to ensure that countries do not make arrangements to improve their own individual position at the expense of others.

Adequate Examination before Action

14. It is one of the basic principles of the Chapter that adequate examination shall be made of the production, consumption and trade situation of any commodity before the preparation of an international agreement. This examination involves the collection of relevant information and the consideration of the effects of any proposed action.

15. The draft Charter envisages the following stages in the establishment and operation of an inter-governmental commodity agreement:

- (a) collection of adequate information about the production and consumption of/and the international trade in a commodity;
- (b) a consensus of opinion among countries substantially interested that an international agreement is desirable to deal with a commodity situation;
- (c) the holding of an international conference to reach agreement on measures to be adopted to meet the situation; and
- (d) the administration of an agreement resulting from such a Conference through an inter-governmental organization.

The collection of the information and the obtaining of a consensus of opinion would normally be done through a study group; however, if adequate

information

/information

information is already available then a formal study group would not be necessary.

Wide Participation in Arrangements

16. The principle is adopted in the Charter of making participation on as wide a basis as possible consistent with expeditious handling of the problems. The procedure on this matter may be summarized as follows:

- (a) Any Member country of ITO which considers that it has a substantial interest in a commodity may participate in the work of the study group. Non-Member countries may also be invited.
- (b) Similar rules apply to participation in commodity conferences, but in practice it may be expected that some countries which did not wish to participate in the work of the study group would desire to attend.
- (c) Participation commodity agreement is open at any time to all Member countries and to non-Members who may be invited.
- (d) Every country participating in a commodity control agreement is entitled to have one representative on the body administering the agreement.

It is recognized that only through wide participation of substantially interested countries can action to remedy commodity difficulties be made effective.

17. This wide participation should prevent the formation of agreements serving the interest of a limited number of countries at the expense of producers or consumers in others. To help achieve this object it is also provided that publicity shall be given to an inter-governmental commodity agreement proposed, concluded or in operation.

Representation of all Interests

18. It is important that this wide participation should cover all interests, and that particularly in commodity control agreements a situation should be prevented in which a group or section, e.g. producers or consumers, obtain some advantage over other groups. The general principle is therefore accepted that there shall be adequate participation of importing as well as exporting countries and that the interests of countries which both produce and consume, but do not engage to any great extent in international trade, should also be adequately represented.

Expeditious Handling of Commodity Difficulties

19. Although the provisions of Chapter VI aim at preventing action based on inadequate examination of the position, at the same time they are designed to ensure that there is no delay in dealing with commodity difficulties. Participation in the study group of all countries substantially

/interested

interested should in itself lead to speedier action where this is necessary. The draft Charter specifically directs the ITO to deal promptly with the findings and recommendations of a study group. Special provision has been made to deal with any exceptional case in which there has been unreasonable delay in the proceedings of a study group or commodity conference.

Limitation on Use of Agreements of a Restrictive Nature

20. A distinction is made between "commodity control agreements", i.e. agreements which might restrict international trade to a substantial extent, and other types of commodity agreements which would not have this effect. It is recognized that it is sometimes necessary to use commodity control agreements but the circumstances under which they may be employed are narrowly defined (see Article 59 of the draft Charter for an ITO - Appendix A). In general their use is limited to primary commodity situations in which a burdensome surplus exists or is expected to arise, or where there is widespread unemployment or underemployment arising out of the special nature of such commodities. These agreements are also restricted to cases in which, in the absence of specific governmental action, the commodity situation would not be corrected by normal market forces alone in time to prevent hardship.

Expansionist Approach to Commodity Problems

21. It is fundamental to the approach of the Chapter that, wherever possible, steps shall be taken to expand world production and consumption. It is specifically provided that commodity control agreements shall be designed to assure the availability of supplies adequate at all times for world demand at reasonable prices and that, where practicable, they shall include measures designed to increase world consumption of the commodity. It is a principle of the draft Charter that such agreements must provide for increasing opportunities to satisfy consumption requirements from economic sources of production.

22. It is also provided that if an agreement is aimed at securing the co-ordinated expansion of the aggregate world production of a primary commodity, it need not be subject to the restrictions of a commodity control agreement even though it contains provision for control of production or trade or for the future application of minimum prices.

23. As a further means of increasing consumption of a commodity it is provided that recommendations to this end made under any type of agreement shall be favourably considered by all Members of the ITO whether or not they are parties to a particular commodity agreement.

/Stabilization Measures

Stabilization Measures

24. It will be noticed that the Charter contemplates agreements to reduce fluctuations in prices of primary commodities. Various measures to achieve this objective may be adopted according to the circumstances of the particular commodity, and special schemes, such as buffer stocks arrangements, may be applied in appropriate circumstances. Commodity control agreements involving the regulation of production, exports or prices may be used to provide stability.

25. In the Report* of the FAO Preparatory Commission on World Food Proposals certain stabilization measures applicable to agricultural production are discussed.* For certain commodities, where the problem is mainly one of seasonal and cyclical price fluctuations, the Report recommends the creation of Price Stabilization Reserves, often called buffer stocks. The opinion is also expressed, that subject to adequate safeguards, quotas can be usefully written into international agreements for certain types of agricultural products. During and since the war long-term contracts have been used to assure markets for products as well as supplies for consumers. There are dangers in the wide use of such contracts and the FAO Preparatory Commission thought that such contracts should be made in conformity with the relevant principles of the suggested Charter for an ITO and puts forward certain propositions designed to secure this end,

Treatment of Commodity Problems on an Individual Basis

26. It is recognized that each commodity presents its own particular problems and no attempt is made in the draft Charter for an ITO to suggest the specific methods to be used to achieve the objectives of an agreement, as, in general, these will have to be negotiated separately for each particular commodity. Directly related commodities such as cane and beet sugar, or synthetic and natural rubber may, however, be dealt with in a single agreement.

Safeguards During Transition

27. It is recognized that changes which are desirable in the long period may cause difficulties in the short run. Although such difficulties should not be allowed to stand in the way of desirable long-term adjustments, it is provided that in making arrangements for transfers to economic production due regard must be given to the need for preventing serious economic and social dislocation and to the position of producing countries suffering from exceptional disabilities.

* See Chapter V of Report, page 21.

/Efficient

Efficient Administration of Agreements

28. In addition to stating general principles for the operation of commodity agreements, the Charter establishes some specific provisions for the administration of commodity control agreements. It will be observed from the relevant articles which appear in Section C of Chapter VI of the draft Charter for an ITO (Appendix A) that it is contemplated that the administration will be carried out by separate Commodity Councils, which may be largely autonomous in their operation, but with general supervision being exercised by the ITO.

Machinery is provided for the settlement of disputes which may arise between parties to an agreement and for the review and renewal of an agreement.

Co-ordination between International Organizations

29. It is important to avoid duplication and overlapping in the consideration of commodity problems, and provision is made for co-operation between interested inter-governmental organizations. Specific measures are laid down in the draft Charter for an ITO entitling such organizations to participate in the work of the various commodity bodies to be established under the procedures of the Charter; particular reference is made to the work of the Food and Agriculture Organization.

Special Types of Commodity Arrangements

30. (a) Certain types of bilateral agreements are excluded from the operations of the Chapter and consequently would not be exempt from the commercial policy provisions of the draft Charter for an ITO.
- (b) Agreements relating solely to the equitable distribution of commodities in short supply would not need to comply with the draft Charter provisions relating to study groups and conferences or with those applying to control agreements.
- (c) Provision is made for inter-governmental commodity agreements designed to maintain and develop the natural resources of the world. Agreements dealing exclusively with conservation of exhaustible natural resources need not conform to the special provisions normally applying to control agreements even though some degree of regulation is involved.
- (d) Inter-governmental commodity agreements necessary for the protection of public morals or of human, animal or plant life or health are exempt from the provisions of Chapter VI of the draft Charter for an ITO, provided they are not used for purposes inconsistent with the objectives of Chapter VI or with the Chapter of the draft Charter relating to restrictive business practices.

Work of Geneva Session of the United Nations Conference on Trade and Employment

31. The above summary is based on the text of the draft Charter for an ITO

as prepared at the Second (Geneva) Session of the Preparatory Committee of the United Nations Conference on Trade and Employment and reproduced as Appendix A to this Report. Since the First Session of the Preparatory Committee, there has been some development in the principles of the Chapter, a clarification of the text, and a more precise definition of terms. It is now made clear that expansionist agreements need not be restricted to cases where a commodity is in short supply, and provision is explicitly made for agreements designed to assure the equitable distribution of commodities in short supply. The principle is now established that countries shall decide for themselves whether their interest in a commodity is sufficient to warrant their attendance at a study group or at a conference.

32. In earlier versions of the draft Charter all agreements involving regulation of production, trade or prices were termed "regulatory agreements" and their use was strictly limited. It is now recognized that the purpose of regulation may not always be restrictive of production and trade, and this fact is taken into account in the definition of the term "commodity control agreements" which includes only agreements of a restrictive or potentially restrictive character. Provision for the regulation of production and for the possible application of stabilized prices may, for example, be essential to the success of agreements to expand the total production and consumption of basic foodstuffs. Similarly, agreements relating to the seasonal movement of trade may involve regulation without being restrictive. In such circumstances, the use of regulatory measures would in no way be inconsistent with the fundamental aims expressed in the draft Charter for an ITO. Agreements of this kind need not be subject to the special condition attaching to commodity control agreements.

33. The position of inter-governmental organizations, deemed competent by the ITO, has been clarified and their rights stated in greater detail. They are now entitled to attend study groups and commodity conferences, whereas previously they could only do so at the request of the ITO. They are also entitled, on the basis of any study of a primary commodity which they submit to the ITO, to recommend to the latter that further study of the commodity be made or that a commodity conference be convened.

CHAPTER III

EXISTING INTERNATIONAL COMMODITY ARRANGEMENTS

34. The underlying principle of inter-governmental commodity agreements, as established in the draft Charter for an ITO were discussed in the previous Chapter. It is now proposed to review the application of the more important principles to a number of existing and proposed international commodity arrangements, although no attempt will be made at anything in the nature of a critical examination.

35. For convenient reference, the Committee submits in Appendix B a brief summary of the development and present position of each of the more important inter-governmental commodity arrangements. In view of the resolution of the Economic and Social Council it is hoped that parties interested in any particular arrangement will study it in the light of the principles now set out in the draft Charter for an ITO. This Co-ordinating Committee, which is serviced by a Secretariat actively associated with the preparation of the Charter, offers to render any assistance it can in the matter.

Examination of Commodity Problems

36. Under the draft Charter for an ITO arrangements are made for adequate examination of all aspects of a commodity problem before an international agreement is reached. The present tendency is to keep the commodity situation under review so that trial and error methods will not have to be used in time of emergency. Since its creation under the Memorandum of Agreement of 1942, the International Wheat Council has gained a wealth of experience and knowledge which served as a basis for drafting the agreement considered by the International Wheat Conference in 1947.

37. A number of study groups are operating on the basis of making a continuous examination of the position of the particular commodity. Should difficulties develop information would then be available so that steps could be taken promptly to negotiate an inter-governmental commodity agreement. This method of preparedness is exemplified in the case of the International Cotton Advisory Committee which, in addition to such matters as collecting important cotton statistics, is charged with the responsibility of "further developing the work on an instrument of international collaboration to deal with the world cotton situation."

Participation

38. The appropriate Chapter of the draft Charter establishes the principle that participation in commodity arrangements should be on a wide basis.

Recently formed study groups such as those dealing with wool and tin, were established

established after meetings to which all countries were invited to attend.

39. Earlier commodity arrangements were generally less representative. Producers of several important countries do not participate in the work of the International Tea Committee, nor is there any representation of consumers. In the case of coffee, the agreement is confined to fourteen South American countries and to the United States. The only post-war attempt to make an agreement has been the draft Wheat Agreement, and all members both of the United Nations and of FAO were invited to participate in the consideration of the Agreement. Although one important country indicated its inability to participate in an agreement, a substantial proportion of the international trade in wheat was in the hands of these countries approving of the principles of the Agreement. In the case of the meeting called by the Food and Agriculture Organization to consider the rice position, attendance was on a restricted basis. This meeting took the form of a preliminary review on a regional basis of certain national and international aspects of the rice question of particular importance to Asiatic territories. It is to be followed by a further meeting on the basis of wider representation. (See Appendix B5 for details).

Representation of All Interests

40. The wide participation of countries in international commodity consultations enables adequate attention to be given to importing as well as exporting interests. So far as the principle of equality of voting power between importing and exporting countries is concerned, this is explicitly provided in the draft Wheat Agreement. In the case of the Inter-American Coffee Agreement, the only importing country participating in the Agreement, the United States of America, has twelve votes out of a total of thirty-six on the Inter-American Coffee Board. Under the Sugar Agreement, fifty-five votes on the Sugar Council were allotted to exporting and forty-five to importing countries. Only producers participated in the International Tea Agreement, which moreover is not an agreement between governments.

41. The United Kingdom - Dominion Wool Disposals Ltd. (known as the "Joint-Organization") incorporated as a private registered company, is a commodity agreement made between governments in order to dispose systematically of wool stocks accumulated during the war. It is an agreement between owners of wool and the question of equal representation of producer and consumer interests is not raised. In the management of the Organization the United Kingdom, which is in fact the largest wool importing country, has a voting strength equal to the total of Australia, New Zealand and South Africa, which are exporters. The Chairman has a casting vote. However, since this war-time agreement was negotiated a fully representative Wool Study Group

/meets

meets from time to time to discuss the wool position, and the results of the operation of the Joint Organization thus come under review by all interested countries.

Expansionist Approach

42. In general commodity agreements have paid little attention to expansionist measures because they generally arose in a period of surplus stocks, and were designed to relieve current difficulties.

43. In regard to expanding world consumption, the functions of the International Tea Committee include "the study of ways and means for the increase of the consumption of tea in the world". In 1935 the Committee established an International Tea Market Expansion Board to carry out campaigns towards this end. The Sugar Agreement provides that favourable consideration should be given to proposals having as their object the promotion of "increased consumption of sugar in countries in which consumption is low" and "the search for new and alternative uses for sugar within the framework of national activities". In general these bodies seem to have found it difficult to embark on a fundamental approach to the problem of consumption. At the July 1947 meeting of the Rubber Study Group particular attention was given to the possibilities of expanding the consumption of rubber and measures were taken to co-operate with the International Rubber Development Board.

Limitation on Use of Restrictive Agreements

44. The agreements on coffee, sugar and tea, would all rank as commodity control agreements as defined in the draft Charter for an ITO. In general, inter-governmental commodity agreements have been made in times of burdensome surplus. In the case of the draft Wheat Agreement, which might or might not be held to be a commodity control agreement, it is considered that, although a burdensome surplus does not exist, the present state of shortage and high prices might be expected eventually to be followed by a burdensome surplus. The present wheat position, therefore, conforms to the circumstances provided in the Charter for the conclusion of a commodity control agreement.

Stabilization

45. The principal methods of achieving stabilization of prices have been discussed at many international conferences from Hot Springs onwards. The Report of the Food and Agriculture Organization Preparatory Commission on the World Food Proposals, endorsed by the Geneva Conference of FAO, contains a chapter dealing with the question of price stabilization and commodity policy. An important contribution to the use of price stabilization measures for commodity policy is dealt with in the section on subsidies in the draft Charter for an ITO.

46. The draft Wheat Agreement suggests a different approach to price stabilization. It aims to reduce the present high prices and to prevent them falling to an uneconomic level later. It also provides that exporting countries should hold substantial reserves of old wheat at the end of each crop year; this would help to stabilize prices and consumption and would go some way to assure adequate supplies.

47. The emphasis of agreements has been on "fair" as well as stable prices; the draft Wheat Agreement states its objectives briefly as follows: "... to ensure supplies of wheat to importing countries and to assure markets to exporting countries at equitable and stable prices". The Inter-American Coffee Agreement aimed to assure "terms of trade equitable for both producers and consumers by adjusting the supply to demand".

Co-operation

48. Some progress has been made in providing for adequate co-ordination between the various bodies in the commodity field. The draft Wheat Agreement provides that the proposed International Wheat Council "shall make whatever arrangements are required to ensure co-operation with the appropriate organs of the United Nations and its specialized agencies". The terms of reference of the Rubber Study Group state inter alia that "Other governments and inter governmental organizations which express an interest shall be kept informed of the studies made and of the results of the discussions as far as practicable. With regard to inter-governmental organizations, the Group acknowledges the formation of the Interim Co-ordinating Committee for International Commodity Arrangements." The Executive Committee of the International Cotton Advisory Committee is charged with the duty of establishing practical co-operation with the Food and Agriculture Organization and with other organizations concerned with the world cotton situation. The latest Report of the International Cotton Advisory Committee specifically welcomes co-ordination through this Interim Co-ordinating Committee.

Special Types of Agreements

49. In the previous Chapter it was pointed out that certain types of agreement were exempted from the specific provisions of Chapter VI of the Charter. During the war and reconstruction periods many long-term contracts were made between exporting and importing countries. The Commodity Committees of the International Emergency Food Council have also contributed to ensuring the equitable distribution of commodities in short supply.

CHAPTER IV.

THE WORK OF THE INTERIM CO-ORDINATING COMMITTEE

50. It will be noted that the Resolution of the Economic and Social Council (paragraph 7) implies three primary responsibilities for the Co-ordinating Committee:

- (a) To keep informed of inter-governmental consultation or action with respect to commodity problems.
- (b) To facilitate such consultation or action.
- (c) To co-ordinate such consultation or action.

The Secretary-General of the United Nations has advised member Governments of the establishment of the Committee in terms of the Economic and Social Council Resolution, and certain Governments have already taken the opportunity to suggest problems within these fields for the consideration of the Committee.

51. The Committee considers that at this stage its activities should centre principally around the collection and dissemination of information regarding the consideration and formation of international commodity arrangements. It believes that in providing this information it will thereby assist in performing the other functions allotted to it.

52. The Committee does not regard it as within its terms of reference to collect statistics regarding production and consumption of various commodities, indeed such action would be largely duplication of work already being done by specific commodity groups or specialized agencies such as the Food and Agriculture Organization. On the other hand, there does appear to be a real need for assembling material which would set out the actual arrangements being made at the international level for dealing with the problems of the different commodities. The Committee therefore asked the Secretariat to prepare for it notes on specific commodity arrangements. These notes are given as Appendix B to this Report.

CHAPTER V

CO-ORDINATION MEASURES

53. At the present time there are many Conferences and Study Groups meeting at different places and at unrelated or even conflicting times. This sometimes involves unnecessary travel by Government delegates and it is often difficult to provide sufficient personnel. It seems desirable to establish a schedule for international commodity meetings so that Governments can provide effective representation. The Interim Co-ordinating Committee is at the disposal of Governments, specialized agencies, and regional bodies as well as existing Study Groups for the preparation of a calendar of international meetings relating directly or indirectly to commodities. For this purpose it would appreciate advance information of projected meetings being forwarded to its Secretariat,* which will, in turn, make this information available to others who are contemplating such meetings.

54. In the field of inter-governmental commodity arrangements it seems necessary to ensure a consistent approach as;

- (a) between groups concerned with different aspects of the same commodity,
- (b) between arrangements relating to different commodities,
- (c) between commodity study groups and regional study groups dealing with similar commodities, and
- (d) between specialized agencies.

In cases where effective co-ordination is not taking place, it will be the task of the Committee to give assistance.

55. In the case of some commodities, e.g. cotton, rubber, wheat and wool, conditions are being studied by a Study Group or other special body, and also by the Food and Agriculture Organization. It is essential that overlapping be prevented, but at the same time that all aspects, such as production, consumption, international trade, and monetary conditions, should receive adequate attention. This is being done to some extent by reciprocal representation at meetings. The Committee believes, however, that one inexpensive and effective method of co-ordinating the actual research and study is by discussion between officers of various agencies, and notes that

* The address of the Secretariat of this Committee is c/o Economic Affairs Department, United Nations, Lake Success, New York.

/steps have

steps have been taken in this direction. Pending the establishment of the International Trade Organization, officials of the United Nations Economic Affairs Department concerned with international commodity policy can contribute to the various commodity discussions by providing information on international trade aspects.

56. It is also important that work being done on various commodities should be co-ordinated because of their involved inter-relationships. The Food and Agriculture Organization deals with many agricultural products and will promote consistency within this field. At the recent Geneva Conference of FAO a Council was established, and its functions include responsibility:

"to promote consistency and integration of agricultural commodity policies, national and international, with regard to (a) overall FAO objectives, (b) the interrelationship of production, distribution and consumption, and (c) interrelationships of agricultural commodities."

The International Trade Organization, when established, will also be able to develop co-ordinated and systematic consideration of international trade aspects of commodity policy.

57. When a study group on a primary commodity is in existence, and when this study group, as for example of rubber and tin, has a Management Committee and a permanent secretariat, it is recommended that the specialized agencies undertaking a review of this commodity, should consult with the Management Committee of the study group in order to obtain the latest information from it and eventually to submit to it, its draft report before publication so as to give the Management Committee an opportunity of suggesting any amendments deemed necessary.

58. With the development of regional bodies it is important that there should be consultation regarding work that is being undertaken. To take an example, it would obviously be wasteful for the Economic Commission for Asia and the Far East to undertake precisely the same study as, say, the Rubber Study Group. In the establishment of United Nations regional bodies, precautions seem to have been taken in this matter. In the terms of reference of both the Economic Commission for Europe and the Economic Commission for Asia and the Far East, it is provided that "the Commission shall take measures to ensure that the necessary liaison is maintained with other organs of the United Nations and with the specialized agencies."

59. It is also important that there should be a consistent approach to commodity problems by specialized agencies, although they are primarily interested in different aspects. Adequate provision for this appears to have been made in the latest draft of the Charter for an ITO. Moreover, working relations between specialized agencies are usually established through an

/inter-agency

inter-agency agreement, subject to review by the Economic and Social Council. The desire of specialized agencies to develop a consistent approach is reflected in the resolutions of the recent FAO Conference at Geneva. The recommendations adopted included, for example, the following:

"(3) that the principles of inter-governmental commodity policy referred to in the Economic and Social Council's Resolution* of 28 March 1947 and those set out in the Preparatory Commission's Report serve as a general guide to Member governments;

(7) that FAO continue its present satisfactory co-operation with Commodity Study Groups and Councils and with the Interim Co-ordinating Committee on Inter-governmental Commodity Arrangements, and ensure the closest co-operation between such Study Groups and Commodity Councils."

60. The Committee believes that duplication of effort and overlapping of function can best be avoided if there is a wide circulation of information about the work of various commodity groups. It is with this in mind that the Committee presents this first outline of the work being done at the international level in the various commodity fields. It hopes that any organization that is faced with the problems of a particular commodity will, before embarking on further study, first consult existing organizations dealing with that problem.

* Quoted in paragraph 7 of this Report,

APPENDICES

- A. TEXT OF CHAPTER VI OF DRAFT CHARTER FOR AN INTERNATIONAL TRADE ORGANIZATION AS PREPARED BY THE SECOND (GENEVA) SESSION OF THE PREPARATORY COMMITTEE OF THE UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT.
- B. EXISTING COMMODITY ARRANGEMENTS
 - 1. Beef
 - 2. Coffee
 - 3. Cotton
 - 4. Petroleum
 - 5. Rice
 - 6. Rubber
 - 7. Sugar
 - 8. Tea
 - 9. Timber
 - 10. Tin
 - 11. Wheat
 - 12. Wool

FIRST COMMITTEE: EMPLOYMENT AND ECONOMIC ACTIVITY
SUBCOMMITTEE C: PROPOSED RESOLUTION CONCERNING INTER-
NATIONAL ACTION ON EMPLOYMENT

With reference to the questions raised at the second meeting of the Subcommittee concerning the functions and responsibilities of the Interim Coordinating Committee for International Commodity Arrangements, there is circulated herewith for the information of members of the Subcommittee the introductory parts of a document issued recently by that Committee which gives the latest authoritative statement on its functions and responsibilities. Attention is drawn particularly to Chapters 1, 4 and 5.

(Draft) Resolution on International Action Relating to Employment

THE UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT

Having noted that the draft resolution on international action relating to employment, prepared by the First Session of the Preparatory Committee, has already been incorporated in the instructions of the Economic and Employment Commission to its Sub-Commission on Employment and Economic Stability; and

Having noted further that the Second Session of the Preparatory Committee has drawn the attention of the Economic and Employment Commission to the relevant sections of the Report of the First Session of the Preparatory Committee; and

Having considered also the importance for some countries, in their efforts to promote employment and economic activity, of securing satisfactory arrangements for the international migration of labour; and, in that connection, having taken note of the activities in this field of the International Labour Organization and its Permanent Migration Committee, the Population Commission, and various regional bodies;

Draws the attention of governments and international organizations to the provisions contained in the Charter of the International Trade Organization relating to the various aspects of employment, production and demand; and

Stresses the importance which all members of the Conference attach to the objective of achieving and maintaining full and productive employment and large and steadily growing demand; and

Urges all countries, separately and jointly, to continue and intensify activities directed to this end; and

Hopes that the initial studies and recommendations of the Economic and Social Council and its Commissions, ^{and S.C.} relating to the maintenance of employment, production and demand, ^{and} including information on action taken or projected by individual countries and by specialized agencies, will be available in the near future in order that the most effective contribution may be made to the achievement of this objective.

amb, w. 3

(2)

SUBJECT OF RESOLUTION:

Implementation of Economic and Social
Recommendations

DATE ADOPTED: 31 OCTOBER 1947

VOTE: Unanimously without a vote

DOCUMENT NUMBER: A/433

TEXT OF RESOLUTION:

"THE GENERAL ASSEMBLY,

(1) With a view to the creation of conditions of stability and well-being to the promotion of social progress and better standards of life, taking account of the fact, well established by experience, that prosperity is indivisible and requires the cooperation of all Member States within the framework of the United Nations.

(2) CALLS upon all Member States to carry out all recommendations of the General Assembly passed on economic and social matters.

(3) RECOMMENDS, furthermore, that in fulfilment of Article 64 of the Charter of the United Nations the Secretary-General report annually to the Economic and Social Council and that the latter report to the General Assembly on steps taken by the Member Governments to give effect to the recommendations of the Economic and Social Council as well as to the recommendations made by the General Assembly on matters falling within the Council's competence."

#####

DRAFT RESOLUTION ON INTERNATIONAL ACTION RELATING TO MOBILITY OF LABOUR

THE UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT

CONSIDERING that it is its purpose to suggest the means to realize the aims set forth in the Charter of the United Nations, particularly the attainment of the higher standards of living, full employment and conditions of economic and social progress and development, envisaged in Art.55(a) of that Charter;

CONSIDERING that the establishment of a world economic equilibrium soundly founded and such as to secure a progressive development of international trade would be helped also by giving consideration to the problem of existing disequilibria in territorial distribution of manpower relating to employment possibilities;

CONSIDERING that a positive action should be taken to secure in every situation the attainment and maintenance of a full and productive employment both through international investments and by transfers of manpower and that a certain amount of studies have already been recommended and started to this end by the Economic and Social Council, ~~within~~ the International Labour Organization, and other intergovernmental organizations and specialized agencies of the United Nations;

RECOMMENDS to the Economic and Social Council to take quick action in view of fulfilling the studies started by its ~~Commission~~ Economic and Employment Commission and Sub-Commissions in co-operation with International Labour Organization, International Monetary Fund, International Bank for Reconstruction and Development, Food and Agriculture Organization, Interim Co-ordinating Committee for International Commodity Arrangements and other intergovernmental organizations of the United Nations to the purposes set forth in Art.55(a) of the United Nations Charter and

SUGGESTS that it give consideration to compensation of demographic disequilibria between different countries in their productive implications and take whatever action it might be advisable either directly or through specialized agencies of the United Nations and intergovernmental organizations to promote migrations where and when necessary in view of the readjustment of employment levels and the economic development.

La Habana December 29., 1947

DRAFT RESOLUTION ON INTERNATIONAL ACTION RELATING TO EMPLOYMENT

Proposed amendments to the Australian Draft

Insert immediately after the words RECOGNIZING THAT the words; "the attainment of the higher standards of living, full employment and conditions of economic and social progress and development are the aims set forth in Art. 55(a) of the Charter of the United Nations, the realization of which is the purpose of the International Trade Organization;"

Insert a new point 4 before the words HEREBY SUGGESTS THAT: "4. Such an action must rely on the equilibrium of the three fundamental factors of economic development which are raw materials, capital and manpower".

Insert between the words "plan measures to sustain high levels of employment and effective demand" and the words "and in particular to"; "both through international investments and by transfers of manpower"(P.2,10).

Amend par.(5) as follows:

(5) Consider compensation of demographic disequilibria between different countries in their productive implications and take whatever action it might be advisable either directly or through specialized agencies of the United Nations and intergovernmental organizations to promote migrations where and when necessary in view of the readjustment of employment levels and the economic development.

La Habana December 29., 1947

DRAFT RESOLUTION ON INTERNATIONAL ACTION RELATING TO EMPLOYMENT

Note by Italian Delegation

The Report E/Conf.2/C.1/10 adopted by the First Committee of the Conference records the Italian proposal for the inclusion in Chapter 2 of the ITO Charter of a provision for international co-ordination of employment services with a view to facilitating the migration of labour and the discussion which took place on this subject in Sub-Committee B. The Report points out that Sub-Committee B expressed the view that the question of international movement of labour was only one aspect, although an important one, of the general question of international action to assist in securing high levels of employment and that if mention were to be made of this aspect references to other aspects would also have to be included at some length. The Sub-Committee finally agreed, as it is recorded, that in connection with the proposed Resolution on Employment consideration might be given to the desirability of drawing the attention of the Economic and Social Council to the importance of the international mobility of labour and of securing an international co-ordination of employment services for this purpose.

The enclosed proposals have been drafted by the Italian Delegation to meet the view expressed by the Committee either for their inclusion in a general Resolution on Employment (see Enclosure A) or for their adoption as a single Resolution on international mobility of labour (see Enclosure B).

La Habana December 29, 1947.

DRAFT RESOLUTION ON INTERNATIONAL ACTION RELATING TO EMPLOYMENT

NOTE BY AUSTRALIAN DELEGATION

At the First Session of the Preparatory Committee in October, 1946, a Draft Resolution was agreed which suggested that the Economic and Social Council should arrange for studies of various measures designed to assist in the achievement and maintenance of full and productive employment and of high and stable levels of effective demand.

Account was taken by the Economic and Social Council of the terms of this resolution, and the main parts of it were subsequently included in instructions issued by the Economic and Employment Commission to its Sub-Commission on Employment and Economic Stability, which has recently concluded its first meeting.

The resolution adopted by the First Session of the Preparatory Committee and the studies suggested therein have thus been taken into account by the appropriate bodies of the United Nations, but we understand that up to the present time very little action has resulted. In particular we understand that the Sub-Commission on Employment and Economic Stability is unlikely to issue a report from its first meeting which will cause any action to be taken in this field. Since the Australian Delegation believes it to be important that the problems connected with the maintenance of employment and demand should be studied now so that action may be taken quickly to prevent the development and growth of depression if employment starts to fall, it is suggested that the Conference might profitably adopt a resolution suggesting further action which might be taken now in this field by the Economic and Social Council and the appropriate specialized agencies.

The Australian Delegation suggests as a basis of discussion a resolution on the following lines:

"THE UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT

RECOGNIZING THAT:

1. The present high levels of employment and effective demand in many countries are based largely upon factors which are essentially impermanent,
2. Action to sustain effective demand and employment must, to be

successful, be based on prior study and detailed planning,

3. Action to sustain effective demand and employment can, in some cases, be closely integrated with measures which are being or could be taken in present conditions to reduce inflationary pressure;

4 →
HEREBY SUGGESTS THAT

The Economic and Social Council should do everything within its powers to expedite the studies at present being undertaken by the Employment and Economic Stability Commission and to promote immediate action both by individual governments and specialized agencies to plan measures to sustain high levels of employment and effective demand, and in particular to:

(1) Request from each ^{member} of the United Nations, in pursuance of the obligations undertaken by it in Articles 55 and 56 of the Charter of the United Nations, a report setting out the action, if any, which it is now taking to maintain reasonable stability in employment and effective demand within its jurisdiction and the nature of prepared plans for action to maintain employment and effective demand if a decline threatens in future.

(2) Arrange for consultations with the appropriate specialized agencies to the end that they should prepare plans now for action which they might take, consistently with the terms and purposes of their basic instruments, in the event of the threat of a substantial decline in employment and economic activity.

(3) Consider whether the need for international investment for economic development, especially in the event of a decline in employment and demand, can be adequately met by the existing specialized agencies or whether the provision of further machinery for this purpose is desirable and practicable.

(4) Arrange for consultations between interested governments directed towards agreements designed to give greater stability to the prices of basic commodities entering into international trade which experience demonstrates to be subject to serious fluctuations and so constituting a threat to stability of employment and effective demand.

(5) Consider, in relation to the problems of maintaining stability in employment and effective demand, the problems of disequilibrium in ^{the international} distribution of ^{resources} population, and promotion of economic development, and any necessary coordination of work already being done in these fields.

POINTS FOR DISCUSSION IN SUBCOMMITTEE C OF THE

FIRST COMMITTEE

The points listed below have been suggested as subjects for recommendations in the resolution, or resolutions, relating to employment. Each of these points might be considered in turn and the Subcommittee might determine:

- (a) whether the point should be the subject of a recommendation,
- (b) if so, in what form it should appear taking account of the various

drafts suggested.

1. The four points listed in the draft prepared by the First Session (E/CONF.2/5) might be repeated for emphasis in the new resolution (see the Brazilian proposal in E/CONF.2/C.1/C/M/3).
2. The Economic and Social Council might be requested to secure reports from Members of the United Nations concerning their measures and plans to maintain employment and demand and to prevent depression (see the Chairman's proposal in E/CONF.2/C.1/C/W.2 and the Australian proposal in W.4).
3. The Economic and Social Council might be requested to secure similar reports from specialized agencies (see Chairman's proposal in W.2 and the Australian proposal in W.4).
4. The Economic and Social Council might be requested to issue a report on the basis of the information received from governments and specialized agencies (see the Chairman's proposal in W.2).
5. The Economic and Social Council might be urged to expedite studies and promote action by governments and by inter-governmental agencies with a view to sustaining high levels of employment and demand (see Australian proposal in W.4).
6. The Economic and Social Council might be asked to consider whether the present resources and facilities for international investment are adequate (see Australian proposal in W.4).
7. The Economic and Social Council might be asked to facilitate agreements to secure ^{assist} stability in the prices of basic commodities entering into international trade. (Canadian - W.4)

8. A recommendation might be made concerning the employment aspects of the international disequilibrium in the distribution of population (see the Chairman's proposal in W.2, the Italian proposal in W.3, and the Brazilian proposal in W.5 concerning coordinated emigration, and the Brazilian proposal in W.5 concerning assistance in resettlement).
9. Prevention of illegal migration of manual workers (see the Mexican proposal in W.1).

After a discussion of the topics suggested for inclusion in the "recommendation" part of any resolution or resolutions, the Subcommittee might consider the content of the Preamble which would be appropriate for introducing recommendations on the points which the Subcommittee has decided to include.

FIRST COMMITTEE: EMPLOYMENT AND ECONOMIC ACTIVITY

SUB-COMMITTEE C: PROPOSED RESOLUTION ON EMPLOYMENT

PROPOSAL BY THE POLISH MEMBER OF THE SUB-COMMITTEE BASED ON
THE INFORMAL PROPOSAL BY THE CHAIRMAN OF THE SUB-COMMITTEE

THE UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT RECOGNIZING that
future prosperity and peace rest on a foundation of full and
productive employment and large and steadily growing demand and that
in many countries particularly those underdeveloped or devastated
by war full employment does not actually exist or is not fully
productive, and that

where it does exist its stability may prove to be dependent on
special factors of temporary duration, and that

problems relating to the maintenance or achievement of a full and
productive employment vastly differ as from country to country depending
primarily on whether a country has a well balanced economy as far as the
chief economic factors of production are concerned i.e. capital,
materials, labour and skills, or whether there exists a deficiency or
excess in one or more of such factors, and

RECOGNIZING further that

the solution of such problems, though depending to a large extent
on internal measures, taken by individual countries, can nevertheless,
particularly in respect to countries with ill-balanced economy, derive
great support from consultations and concerted action and from
assistance rendered by inter-governmental agencies, and that

in case of a threatening depression such concerted international
action and such assistance may prove to be of an importance even greater
than individual internal efforts;

NOTING the resolutions under which various United Nations bodies have
begun to assemble information, undertake studies and formulate views
concerning long-term as well as short-term aspects of the problem of
employment, production and demand, including particularly resolutions
of the Economic and Social Council and its Economic and Employment
Commission,

NOTING also that the Draft Resolution on International Action Relating to
Employment agreed upon at the First Session of the Preparatory Committee
was taken into account; and

CONSIDERING that it is of the utmost importance that such preparatory
work be advanced as rapidly as possible so that:

/Advice

Advice could be given as to ways and means of assuring the maintenance of high levels of employment and effective demand,

Assistance could be rendered to countries with ill-balanced economies to achieve full and productive employment,

Positive action on an international scale could be undertaken in time to prevent a serious decline in the employment and effective demand in case of a threatening economic depression;

HEREBY SUGGESTS THAT, in addition to the investigations which it has already initiated, the Economic and Social Council

REQUEST the submission at an early date by Members of the United Nations, of information concerning their plans for the maintenance or achievement of full and productive employment and for preventing the reoccurrence of a depression on their territories and also of their suggestions for international measures taken in a concerted action to prevent its international spread,

REQUESTS the various specialized agencies to study such plans and suggestions, to indicate ways and means by which they could render assistance in case of a threatening depression and also to indicate which further steps should be undertaken by the United Nations to make such an assistance effective,

ISSUE a report, based on the above information with recommendations to the General Assembly of the United Nations, to the Member Governments and to the specialized agencies concerned.

SUB-COMMITTEE C OF THE FIRST COMMITTEE

LETTER FROM THE DANISH DELEGATION

"Havana, December 30, 1947

"To the Chairman
of Sub-Committee C of Committee I.
Sir,

"I have been informed of the discussions which took place in your Sub-Committee today and have learnt that any suggestions for the resolution to be submitted to the United Nations Economic and Social Council should be handed over to you before noon on December 31, 1947.

"While the Danish Delegation, which is not represented on the Sub-Committee, does not feel competent to enter into detailed discussions on this subject, I would just like to inform you that we feel that the resolution as it stands is centered too much around concerted action in periods of general depression, and that it would perhaps do some good if the necessity of synchronization of the governmental policies in periods when inflation is threatening, or when governments are taking steps to prevent an outside inflation from entering their countries was emphasized in the resolution. The authors of the resolution seem to have had the international economic situation of the thirties in mind, whereas the problems in many countries today are of another nature. If the various countries had some sort of contact with one another when taking action against inflation, many harmful effects might be avoided.

"I have the honour to be, Sir,

Your obedient Servant,

/s/ E. Waerum

Chairman of the Danish Delegation"

2000 Resolution No. 1

PROPOSED RESOLUTION AT THE END OF MODEL 2
TO REPORT OF COMMITTEE I

RESOLUTION ON EMPLOYMENT

Subsequent to the submission of the report of the Sub-Committee concerning a resolution on employment (E/CONF.2/C.1/17), the Committee received a proposal from the Delegation of Afghanistan for an amendment to the Sub-Committee's text of Section 4 of the resolution. As a result of this suggestion the First Committee at its tenth meeting (E/CONF.2/C.1/SR.10) modified the last paragraph of the resolution, dealing with the problems of temporary or seasonal migration of workers, by introducing the words "taking into account existing treaties and long established customs and usages pertaining thereto", and by inserting between "formulating" and "conventions and model bilateral agreements" the words "in consultation with Members directly affected". At its tenth meeting the Committee also considered a proposal by the Delegation of Cuba concerning a resolution on unemployment (E/CONF.2/C.1/19), but did not accept the proposal (E/CONF.2/C.1/SR.10).

4 March 1948

TO: Mr. E. Waerum,
Chairman, First Committee

FROM: A. E. Ritchie

With reference to your remarks yesterday afternoon concerning the desirability of having at hand a paragraph which might be added to the Report of the First Committee concerning the "Resolution on Employment" I would make the following suggestions:

1. If it is proposed during the meeting of the Committee that something should be added, you might suggest that the addition should be made in Annex 2 rather than in the report proper since all that can be said about the resolution is that the text recommended by the Sub-committee was changed in certain respects by the First Committee. Changes of this sort in respect of the articles have been dealt with in Annex 2. Accordingly, it would seem appropriate, if something of the same sort is to be said about the resolution, to deal in Annex 2 with the changes which the Committee has made in the resolution. In that event the following words might be added at the end of Annex 2:

"Resolution on Employment

"Subsequent to the submission of the report of the Sub-committee concerning a resolution on employment (E/CONF.2/C.1/17), the Committee received a proposal from the Delegation of Afghanistan for an amendment to the Sub-committee's text of Section 4 of the resolution. As a result of this suggestion the First Committee at its tenth meeting (E/CONF.2/C.1/SR.10) modified the last paragraph of the resolution, dealing with the problems of temporary or seasonal migration of workers, by introducing the words 'taking into account existing treaties and long established customs and usages pertaining thereto', and by inserting between 'formulating' and 'conventions and model bilateral agreements' the words 'in consultation with Members directly affected'. At its tenth meeting the Committee also considered a proposal by the Delegation of Cuba concerning a resolution on unemployment (E/CONF.2/C.1/19), but decided not to accept this proposal (E/CONF.2/C.1/SR.10)."

2. If there is any suggestion (as I hope there will not be) that the text of the resolution should be appended to the report, you may wish to make the following points against such a course:

- (a) The text of the resolution recommended by the Committee has already been acted upon and modified slightly by a Plenary Session of the Conference - and, in fact, has already been transmitted to, and dealt with by, the Economic and Social Council.*
- (b) If a text were to be appended to the report of the First Committee, which text should be attached? The text recommended by the First Committee or the text as finally approved by the thirteenth Plenary meeting of the Conference? If the former text were to be appended it might be misleading since it would not contain the change introduced by the Plenary Session. The latter text could not very well be attached since it represents the result not of consideration by

* Incidentally, the Havana Post this morning incorrectly reported that the Economic and Social Council in acting upon this resolution had directed its recommendations to the "Trade and Employment Conference in Havana". In fact the recommendations of the Economic and Social Council were addressed to the "Economic and Employment Commission at Lake Success" as originally intended in the resolution adopted by this Conference.

the First Committee but of consideration by the Plenary Conference, to which, in fact, this report is going. Accordingly, it is rather hard to say how a text could be attached without either misleading the Conference or taking over as the product of the First Committee something which is in fact the product of the Conference itself.

- (c) It will be noted from paragraph 6 of the report of the Fifth Committee, which also recommended a resolution to the Conference, that a reference was merely made to the document in which that resolution appeared and the text was not appended to the Committee report.
- (d) In these circumstances it would seem sufficient to do as has been done in paragraph 10 of our report: namely, to mention the existence of the resolution and refer to the action taken already by the Conference, indicating the document number of the text as approved by the First Committee and the number of the summary record of the Plenary Session of the Conference at which this text was dealt with.