

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

SUMMARY RECORD

Fourth Meeting in Executive Session held  
on Tuesday, 20 May 1947 at 10.30 a.m. at  
the Palais des Nations, Geneva

Chairman: M. Max Suetens (Belgium)

The CHAIRMAN referred to the Report of the Charter Steering Committee containing the proposed programme of meetings for discussion of the Charter following 27 May (E/PC/T/72) and requested Mr. HAWKINS, the Spokesman of the Charter Steering Committee to introduce the Report for consideration. After explanatory remarks by Mr. HAWKINS, Mr. GARCIA OLDINI (Chile) expressed the view that excessive speed might prevent full consideration of the many problems involved and might place an undue strain on the smaller delegations. Accordingly, he appealed for more elasticity in the plan of meetings although he had no specific proposal to make.

Dr. HOLLOWAY (South Africa) suggested the need for an early discussion of Chapter II and particularly of the question of relations between Members and non-members. He expressed the opinion that this matter should be taken up at an early stage in view of its bearing on the significance of so many parts of the Charter. He, however, did not press for an earlier date when the CHAIRMAN pointed out that consideration of Article 36, which is concerned with the position of non-members in relation to Members, was already planned for 5 and 6 June.

Mr. NASH (New Zealand) observed that it would be desirable to allow sufficient latitude in the discussion of any Chapter to enable representatives to refer to related points in other Chapters without going into the general subject of the other Chapters. The CHAIRMAN agreed with the observation.

Mr. GOTZEN (Netherlands) enquired whether it might be possible to resume discussions before 27 May. The CHAIRMAN explained that between now and 27 May the Committee would be occupied with consideration of Chapter III, paragraph 2(c) of Article 14, and the further consideration of the technical articles.

The CHAIRMAN enquired whether the proposed programme was acceptable to the Committee, in the light of the observations made, on the understanding that the Steering Committee would consult with Mr. GARCIA OLDINI (Chile) concerning the possible introduction of greater elasticity into the programme.

There was no dissent.

The CHAIRMAN then indicated that the meeting was open for the discussion of Chapter III, taking as a guide the Annotated Agenda which had been prepared (E/FC/T/W.87/Rev.1). He expressed his intention to apply to the discussion of this Chapter the proposal made in the Report of the Steering Committee that, after discussion in the full Committee for the purpose of identifying points at issue, unresolved questions would be referred to a sub-committee for further consideration.

The CHAIRMAN then invited Mr. Nash (New Zealand) to open the discussion in view of the fact that Mr. Nash had taken such an interest in the subject of this Chapter and that he expected to be departing tomorrow. Mr. NASH (New Zealand) expressed his preference to speak at the afternoon meeting.

The CHAIRMAN invited discussion on amendments of substance.  
Article 3.

Mr. GUITTEREZ (Cuba) proposed to change the United States amendment concerning the title of Article 3 to read "Production, Demand and Employment."

Mr. WILCOX (United States) stated that his Delegation did not attach great importance to the order in which these three words appeared in the title of Article 3, but it was important that they should appear. Furthermore, his Delegation had no objection to the word "effective" being added to "demand" at an early point in the text.

The CHAIRMAN proposed that discussion of the title be postponed and then asked for the reaction of the meeting concerning the additional paragraph proposed by the Delegation for CUBA.

Mr. TANGE (Australia) expressed the view that the present paragraph giving precedence to "employment" should be retained as the first paragraph of Article 3. He added that he had no objection to the adoption of paragraph (a) of the additional text proposed by the Delegation for Cuba which might be incorporated somewhere else in the text. But concerning the proposed sub-paragraph (b) he felt that it might create some confusion and weaken the responsibility of Member governments as indicated in Article 4.

Mr. WILCOX (United States) believed that the suggested wording did not affect and was not intended to affect the responsibility of governments as expressed in Article 4.

Dr. LOKANATHAN (India) expressed his preference for the original language since the term "production" did appear not to cover all "economic activities".

The representative for BELGIUM was not opposed to the adoption of the sub-paragraph (a) of the Cuban proposal. He proposed that "economic development" be added at the end of the same paragraph.

Concerning paragraph (b) of the Cuban proposal he shared the view of the Australian Delegation.

Mr. WILSON (United Kingdom) supported the above remarks by the representative for India. Mr. GUITTEREZ (Cuba) explained that he did not intend to substitute his proposal for the existing text but the additional text was intended to bring out the interdependence of employment, production and demand. He drew the attention of the delegates to the words "not exclusively" which he said covered the points brought up by some of the delegates in regard to the effect of the proposed additional text concerning the obligations of the governments under Article 4. The CHAIRMAN referred the Cuban proposal to the sub-committee.

Discussion then proceeded on the two amendments proposed in paragraph 1 of Article 3 by the New Zealand and United States delegations.

Mr. NASH (New Zealand) explained that his amendment was intended to emphasize the importance of the rising standard of living which should be considered the major purpose of the Charter - the development of international trade, being not an end in itself but a means towards the achievement of a better standard of living.

This amendment was approved after the New Zealand representative agreed to the inclusion of both words "all other".

Concerning the amendment proposed by the United States Delegation, Mr. WILCOX (United States) expressed the view that a reference to the achievement and maintenance of a high and stable level of production would not detract from the emphasis on employment, as it would be clear that the words "employment" in this context would imply the conception of productive employment.

Mr. WILSON (United Kingdom) stated that he did not hold very

strong views one way or the other on this proposal. The only objection he had was that it appeared to him unnecessary, and on balance the United Kingdom Delegation would prefer not to include this proposal.

Mr. GOTZEN (Netherlands) stated that in general he agreed with the United States amendment, but he wished to draw the attention of the sub-committee to the proposed text which he believed implied some slight contradiction inasmuch as it refers to "high and stable" production but to "large and steadily growing" demand.

Dr. LOKANATHAN (India) would agree to the inclusion of the word "production", although he felt that demand was the main factor, if the sub-committee could devise a text which would relate "production" appropriately to "effective demand".

Mr. WILCOX (United States) suggested that the United States amendment might be redrafted by the sub-committee and he felt that as long as the relation of demand, production and employment was recognized, the precise wording could be left to the sub-committee.

After several representatives had discussed the inclusion of the term "effective demand", the representative for CZECHOSLOVAKIA remarked that as no-one had indicated that the retention of the term "effective demand" would be harmful, he would suggest it be retained.

The CHAIRMAN concluded by stating that the United States amendment would be referred to the sub-committee.

The meeting rose at 1 p.m.

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