

**United Nations**  
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**CONSEIL**  
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DRAFTING COMMITTEE OF THE PREPARATORY COMMISSION OF  
THE UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT

SECOND MEETING

Held at Lake Success, New York, 21 January 1947 at 10:40 a.m.

Mr. SHACKLE (UNITED KINGDOM) suggested that it might be advisable to insert a reference to the ILO in Article 6 by adding the words "in consultation with the ILO" between the words "to take" and "whatever action."

This suggestion was supported by Mr. SMITH (CANADA) and Mr. ADARKAR (INDIA), but opposed by Mr. LEDDY (UNITED STATES) and Mr. NAUDE (UNION OF SOUTH AFRICA) who maintained that the possibility of acting in consultation with the ILO was sufficiently covered by Article 9.

It was agreed that it should be mentioned in the Committee's report that the question had been raised but that the Committee had considered the reference to the ILO superfluous.

The United States proposal to insert the words "for the well-being of other countries" in Article 3 was adopted. The other United States amendments to Article 3 were also accepted. The words "they also recognize" at the beginning of the second sentence of paragraph 1 were deleted, and the word "should" in that sentence changed to "shall."

Mr. REMOUF (SECRETARIAT) queried the change suggested by the Delegate for the United States that in several places in Chapter III the phrase "appropriate specialized inter-governmental agencies" should be substituted for "appropriate inter-governmental organizations." In view of the special meaning attached to the words "specialized agency" by the United Nations, the substitution proposed might give the impression that those organizations not in relationship with the United Nations might not be covered.

/It was agreed

It was agreed that this point should be considered by the Legal and Drafting Sub-Committee.

Mr. LACARTE (Secretary of the Committee) considered the word "productive" in the second line of this article superfluous since this point was sufficiently emphasized in Article 5.

Article 4, as modified by the United States amendments, was adopted.

Mr. LEDDY (UNITED STATES) said that Article 5, referring to the development of national resources and productivity ought logically to come in Chapter IV (Economic Development). This Article was a duplication of Article 11.

Mr. ADARKAR (INDIA) supported the views expressed by Mr. LEDDY.

It was agreed to defer consideration of Article 5 until Article 11 was reached.

Article 6 was adopted unchanged and Article 7 was approved subject to the deletion of the phrase "members agree that" and the alteration of the phrase "they will" to "members shall." Article 8 was also adopted with the wording "as defined elsewhere in this Charter" substituted for "in the other Articles of this Charter."

As regards paragraph (a) of Article 9, Mr. LOPEZ FRESQUET (CUBA) objected to the United States amendment which suggested omitting the words "as far as possible," for, as he explained, not all the countries might be able to furnish the information required. The amendment was rejected and the Article approved as set out in the Charter.

#### Consideration of Chapter IV

Mr. LEDDY (UNITED STATES) explained that the purpose of his principal amendment to Article 10 was to incorporate Article 5 of Chapter III in Articles 10 and 11 of Chapter IV in order to avoid repetition. The obligations to be undertaken by Members should be mentioned in Chapter IV which dealt with economic development rather than in Chapter III which concerned employment.

/Messrs. SHACKLE

Messrs. SHACKLE (UNITED KINGDOM), SMITH (CANADA) and BENDA (CZECHOSLOVAKIA) supported this proposal.

Mr. PARANAGUA (BRAZIL) objected that the omission of Article 5 would weaken the Charter.

Mr. JUSSIANT (BELGIUM-LUXEMBOURG) observed that Article 5 should come in Chapter III because it made clear the strong link between employment and effective demand and the development of economic resources.

Mr. PARANAGUA (BRAZIL) supported the Secretariat proposal for the addition of the words "human and material resources" in order to make Article 5 more explicit.

Mr. LEDDY (UNITED STATES) pointed out that his expression "economic resources" covered all factors necessary for production, including manpower.

Mr. LOEZ FRESQUET (CUBA) proposed the adoption of the American amendment, modified by the addition of the words "industrial and" before the words "economic resources", since his country attached great importance to the idea of industrialization.

After further discussion it was agreed that Article 5 should become Article 11 and that paragraph 1 of the former Article 11 should be deleted - also that in the second line of the old Article 5 the phrase "human and material" should be inserted between "world's" and "resources". It was also agreed that the words "economic resources" in Article 5 should be expanded so as to read "industrial and other economic resources."

Mr. PARANAGUA (BRAZIL) wished to keep the phrase "contribute to economic stability" in Article 10 which the American amendment proposed omitting.

Mr. LEDDY (UNITED STATES) explained that he proposed omitting this phrase because economic stability, however desirable, did not automatically result from the industrialization of a country.

Mr. SMITH (CANADA) supported this opinion.

/The CHAIRMAN

The CHAIRMAN proposed the adoption of the American amendment, modified by the retention of the phrase concerning economic stability in the form "contribute ultimately to economic stability". This was agreed.

The United States amended version of paragraph 2 of Article 11 was adopted.

Concerning paragraph 3 of Article 11 Mr. IACARTE (Secretary of the Committee) called attention to a Secretariat proposal asking the Drafting Committee to delay any decision on this paragraph until it knew the results of the work of the Economic and Employment Commission, which was studying the question of economic development. This work would be finished towards 1 February 1947.

Mr. SMITH (CANADA) pointed out that the paragraph did not stipulate who was to pay for the assistance received and queried whether provision to this effect should not be made.

THE CHAIRMAN proposed stating in the report that no decision had been taken with regard to this paragraph, because the results of the work of the Economic and Employment Commission were not known. The report would also mention that the question of the payment for the assistance received had been raised.

Mr. SHACKLE (UNITED KINGDOM) proposed adding the words "on terms to be agreed" after the words "shall provide" to meet this latter point.

The proposals put forward by the Chairman and Mr. Shackle were adopted.

Mr. LEDDY (UNITED STATES) suggested combining paragraphs 1, 2 and 3 of Article 12. This was agreed. It was also agreed to delete the words "availability of" in paragraph 1 and to change the words "access to facilities" in paragraph 2 to "any such facilities".

Paragraph 4 was adopted with the amendments suggested by the representative of the United States.

With regard to paragraph 5 of Article 12, Mr. SHACKLE (UNITED KINGDOM) doubted whether it was necessary to insert a reference to paragraph 2 of Article 15, as suggested by the Delegate for the United States. The

/provisions of

provisions of that paragraph would apply in any case and if a specific reference were made in this instance, it would be necessary to insert such references in other parts of the Charter.

Mr. NAUDE (SOUTH AFRICA) doubted whether the United States revision placed adequate emphasis upon the conciliation of a dispute directly by the parties without recourse to the Organization.

It was agreed to adopt the first sentence of the United States amendment and to redraft the second sentence as follows:

"The Organization may, in its discretion, request the Members concerned to consult with a view to reaching a mutually satisfactory settlement and may lend its good offices to this end."

After it had been agreed to add the representative of Chile to the Administrative Sub-Committee and to hold the next meeting at 10:30 a.m. on 22 January 1947, the meeting rose.

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