

ECONOMIC
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SOCIAL COUNCIL

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JOURNAL
of the
PREPARATORY COMMITTEE
of the
INTERNATIONAL CONFERENCE ON TRADE AND EMPLOYMENT
LONDON 1946

NO. 2 WEDNESDAY 16 OCTOBER 1946

1. PROGRAMME OF MEETINGS

Wednesday 16 October 1946

(1) Plenary Meetings

<u>Time</u>		<u>Room</u>
11.30 a.m.	Executive Committee of the Plenary Session, Second Meeting	Hoare Memorial Hall
3.00 p.m.	Executive Committee of the Plenary Session, Third Meeting	Hoare Memorial Hall

(2) Committee Meetings

Nil.

2. AGENDA

Wednesday 16 October 1946

Executive Committee of
the Plenary Session

(a) Second Meeting, 11 a.m.

Continuation of the discussion on
subjects considered by the Executive
Committee in its first Meeting.

(b) Third Meeting, 3 p.m.

Continuation of the discussion.

3. SUMMARY RECORD OF MEETINGS

First Plenary Session of the Preparatory
Committee

Held on Tuesday, 15 October 1946
at 3 p.m.

Chairman: Mr. A.D.K. OWEN (United Kingdom)
Later, Mr. M. SUTENS (Belgium)

(1) Opening of the Session

The temporary CHAIRMAN, (Mr. A.D.K. Owen) declared the meeting open. He was the representative of Mr. Trygve Lie, who regretted not being able to attend in person by reason of the imminent meeting of the General Assembly. The delegations of eighteen nations were present. The USSR was not yet able to participate as they had not had sufficient time to make preliminary studies of the important subjects to be discussed. It was the purpose of the present Committee to prepare for the full conference next year.

(2) Address by Representative of Host Government

SIR STAFFORD CRIPPS (President of the United Kingdom Board of Trade) welcomed the Preparatory Committee on behalf of his Britannic Majesty's Government in the United Kingdom.

All who had experienced the sequel to the First World War must be determined, so far as in them lay, to steer world economic policies into safer and saner channels than those which their predecessors had found.

But it was not so much the desire as the achievement that was then lacking. The world was full of good intentions, but signally failed to translate them into wise actions. There was more general recognition now of the effect which economic relations between nations must exert upon political events in the international field. It was realized now, as never before, that there was no security in peace unless the world could deal on international lines with the major economic, political and (he would add) religious questions with which they were faced. It was with a view to such international treatment of these questions that the United Nations Organization had been set up, and the Preparatory Committee had been appointed by the Economic and Social Council.

The objects which the Preparatory Committee had to set before itself were the promotion of the highest possible level of employment, the maintenance of demand, and some degree of regulation of world trade. In the accomplishment of these aims, as few restraints as possible should be imposed upon individual nations and trading concerns, while each at the same time should be safeguarded as much as possible from the damaging effects resulting from the acts of others. In the period between the two world wars, when there was substantially no provision for world economic co-operation and no rules of international conduct in matters of trade and commerce, all nations had suffered from one another's act: The channels of world trade were blocked: And millions suffered poverty, unemployment and frustration. That was the period of "Poverty in the midst of Plenty".

It was probably in regard to economic matters that nations were most sensitive as to their own political sovereignty. Even those nations which had adopted some form of planned economy were doubtful about the risks to their own interests of planning on the international scale. Manufacturers

and producers of raw materials were jealous of restraints and control, and at the same time anxious for protection against competition. But experience showed that unlimited freedom was not to the advantage of any but a very, very few. The world had experimented long enough with the chaotic conditions which ensued after the First World War. It was time to take as a starting point the need for some organization, some rules and regulations as between nations, in the matter of trade.

That presupposed, however, willingness to give up certain national methods of protecting or regulating national trade, while it, at the same time, postulated a corresponding willingness on the part of others. No one need be ashamed of being a stout champion of his own national cause: but he need not be a selfishly stubborn champion as well. The success or failure of the Committee's efforts would depend upon what each country was prepared to give up, always on the basis of receiving something equally worth while in exchange.

That conception was, he believed, at the basis of the document put out by the Government of the United States of America in the previous year, with the broad principles of which the United Kingdom Government had expressed its assent. The fundamental idea at its basis was the belief that it must be the policy and the duty of each separate nation to provide full employment for its people. Mass unemployment between the two world wars had not only deprived the world of consuming power, but had also influenced individual nations to adopt restrictive measures, the object of which was to pass on their own troubles to other countries. That vicious circle of "exporting unemployment" had its repercussions throughout the world, both upon industrial countries and upon primary producers as well. Some measure of protection against exported unemployment was necessary.

Though full employment was the basis of world trade expansion, it was impossible to disregard altogether the factual basis upon which world trade had hitherto operated. If they were to divert trade from its accustomed channels to new channels, or to introduce new trade into old channels, they must be certain that the new channel was created, or the old channel widened, at the moment of diverting the flow.

It was difficult to forecast the future: and it was natural to feel some apprehension as to new experiments. But risks must be taken, if results were to be achieved. Unless something better could be achieved than was the case after the first world war, it was only too clear in what direction events would force all countries to move. They were called upon to anticipate those events, and to prevent the initiation of those restrictive policies which had proved so fatal after the First World War. Some methods acceptable to all the main trading nations must be found, in order to ensure order in the international economic sphere, and so remove the apprehensions which might otherwise obstruct the expansion of world trade.

Just as in the political sphere the United Nations were seeking some form of corporate security for the world, so in the economic sphere they had to regulate the use or abuse of economic armaments. What each country did to regulate its own trade was the concern of all other countries who traded with it - which at the present time was tantamount to saying all other countries. The regulation of national trade was a matter of international concern.

Let it not be said of Twentieth Century civilization that it was only in times of war that the peoples could be given full employment, and economic co-operation between countries became possible. The Preparatory Committee and the Conference which would follow were pregnant with the greatest and most hopeful possibilities for the peoples of the world. They would, he trusted, show that great ideals and a genuine desire to ease the lot of the common men and women of the world were as powerful incentives towards wise and co-ordinated action as the bombs and guns of destruction.

MR. H. B. LCKINNON (Canada) reminded the Committee of Mr. Cordell Hull, who had always held the ideals for which the Committee was convened.

The CHAIRMAN, on the proposal of the Canadian delegate, agreed to send to Mr. Cordell Hull a message expressing sympathy and hopes for speedy recovery.

(3) Adoption of Suggested Rules of Procedure

The CHAIRMAN suggested the adoption of Chapter III of the Rules of Procedure (7-11) dealing with the election of the Chairman and Vice-Chairman.

The Committee adopted Rules of Procedure (7-11) with alteration to Rule 7 as follows: "The Preparatory Committee shall elect from its representatives a Chairman, First Vice-Chairman and Second Vice-Chairman, who shall hold office for the duration of the present session of the Preparatory Committee."

(4) Election of Chairman

MR. H. A. MARQUAND, M.P., (United Kingdom) proposed Mr. M. Suetens, (Belgium).

MR. CLAIR WILCOX, (United States of America) seconded the proposal.

The meeting elected Mr. Suetens unanimously as Chairman of the Preparatory Committee.

Mr. Suetens took the chair.

The CHAIRMAN thanked the meeting personally and in the name of his country. He would do his utmost to ensure success. He called for the co-operation of all delegations, especially in alleviating the restrictions on trade.

(5) Election of Vice-Chairman

MR. HERVE ALPHAND (France) proposed Mr. Augenthaler (Czechoslovakia).

H. E. MR. ERIK COLBAN (Norway) seconded the proposal.

The Committee elected Mr. Augenthaler unanimously as first Vice-Chairman of the Preparatory Committee.

(6) Election of Second Vice-Chairman

DR. SPEEKENBRINK (Netherlands) proposed H. E. Mr. Alberto Alvarez (Cuba).

H. E. SENOR DON MANUEL BIANCHI (Chile) seconded the proposal.

The meeting elected unanimously Mr. Alvarez as second Vice-Chairman.

(7) Adoption of Provisional Agenda

MR. CLAIR WILCOX (United States of America) accepted the Provisional Agenda providing he could reserve the right to make amendments as the work of the Preparatory Committee progressed.

DR. H. C. COOMBES (Australia) expressed dissatisfaction with Paragraphs 10 and 11, which he felt covered the same ground, up to a point. He was not in entire agreement with section E of Paragraph 10.

The CHAIRMAN assured the Australian Delegate that his adoption of the Provisional Agenda would not constitute an acceptance of its phrasing.

MR. H.A. MARQUAND, M.P. (United Kingdom) proposed that the Committee should go into Executive Session in order to determine the details of the Rules of Procedure. This was approved.

The CHAIRMAN on the recommendation of the Executive Secretary adjourned the meeting and announced that the Executive Committee would meet half an hour later to discuss the details of the Rules of Procedure in order to facilitate the work of the Secretariat.

The meeting rose at 4.30 p.m.

4. DOCUMENTS DISTRIBUTED
on Tuesday 15 October 1946

<u>Symbol No.</u>	<u>Title</u>
E/PC/T/2/Corr.1	Corrigendum to Document E/PC/T/2: Suggested Rules of Procedure.