

PREPARATORY COMMITTEE OF THE INTERNATIONAL CONFERENCE  
ON TRADE AND EMPLOYMENT

SUMMARY RECORD OF MEETINGS

PREPARATORY COMMITTEE  
EXECUTIVE SESSION

THIRD MEETING

Held on Wednesday, 16 October 1946 at 3.0 p.m.

Chairman: MR. SUTENS (Belgium)

The Preparatory Committee met in Executive Session to discuss points 8 and 9 of the Provisional Agenda (Document E/PC/T/1).

DR. COOMBS (Australia) believed that the work of the Conference should provide for the following:-

1. The acceptance by members of unequivocal obligation to take effective action to maintain and expand effective demand.
2. Positive aid to industrial development of under-developed countries and the recognition of rational protection as a legitimate instrument of development.
3. Immediate and positive action designed to give greater stability to the incomes of primary producers.
4. Measures to ensure that disequilibrium in the balance of payments is corrected by expansion of countries with positive balances rather than by contraction of those with adverse balances.
5. Measures to ensure the right to protect domestic economy from the effect of a decline in economic activity abroad.

6. The right to have obligations accepted under the Charter reviewed in the event of persistent failure of countries to fulfil obligations to maintain effective demand. He therefore proposed that the agenda should be altered as follows:

(a) Paragraph 10(a) to read: "International agreement relating to the achievement, maintenance and expansion of levels of effective international demand, and that provision should be made for discussion under the heading (a) Employment policy; (b) Full use of international resources; (c) Economic development."

(b) A new topic relating to industrial development to be inserted, designed to provide for positive aid in such development, to establish qualitative standards by which prospective development can be judged, to recognise the legitimacy of reasonable protection as an instrument of development.

He further proposed, when asked specifically by THE CHAIRMAN, that the scope of Committee I. should be amended and that an individual Committee for industrial development might be established.

MR. NEHRU (India) supported the proposed Australian amendments to the agenda, speaking more particularly on behalf of industrially undeveloped countries. Liquidation of poverty concerned India vitally; consequently industrialization and modernization of industry, resulting in increased production, would help enormously in the realization of this idea. In the particular case of India, economic progress must be rapid, burdens must be shared equitably and products must be more rationally distributed. Private enterprise as implied by the Trade Organization Charter would not suffice alone to solve the problem.

Any international Trade Organization must assist industrially undeveloped countries.

H.E. SENOR DON ALFONSO BLANCHI (Chile) concurred with the proposed amendments.

MR. MARIO CORREIA DA SILVA (Brazil) similarly pronounced agreement with the amendments.

MR. WUHSZ KING (China) appreciated the proposed aid to undeveloped countries. He should be found to explore and implement this proposal. He agreed with the observations of DR. COOLES (Australia), especially supporting the proposal that a special Committee be established to consider industrial development.

MR. HADJI DINECHIE (Lebanon) expressed his agreement with the Australian proposals.

THE CHAIRMAN reminded the Meeting that certain delegations might not be able to provide sufficient personnel for an additional Committee, and suggested that industrial development be added to the agenda of one of the Committees already proposed.

DR. SPREKENBROEK (Netherlands) felt that it would be unwise to try to reach any definitive conclusion on this point as he doubted whether the Trade Organization Charter suggested by the United States of America had been digested by all delegations.

MR. CLAIR MILCOX (United States of America) replied that the Charter mentioned had been submitted to the Secretariat primarily as a working document. In this document industrialization was discussed. He supported the view that industrial development might be included in the Agenda of an existing Committee.

DR COOMPS (Australia) said he was not opposed to industrial development being embraced by the agenda of another Committee, provided its importance was constantly borne in mind.

H.E. M. ERIK COLLMAN (Norway) believed that Committee I (Employment and Economic Activity) could include discussion of industrial development on its agenda and suggested the Committee structure might be adopted as drafted.

The CHAIRMAN adjourned the Meeting until 5 p.m.

On re-assembly, the CHAIRMAN stated that during the interval MR. CLAIR WILCOX (United States) and DR. COOMPS (Australia) had agreed on a new text which he hoped would rally all opinions.

MR. CLAIR WILCOX (United States) suggested that :-

1. Paragraph (a) of the Secretariat Note be amended thus:-

"International agreement relating to the achievement and maintenance of high and steadily rising levels of effective demand, employment and economic activity."

2. A new paragraph (b) be inserted, viz:-

"International agreement relating to industrial development."

3. Old paragraph (b) be renamed paragraph (c).

He proposed that Committee I consider paragraphs (a) and (b) and Committee II consider paragraphs (b) and (c), these Committees deciding for themselves whether to discuss the points involved jointly or in Sub-Committees.

H.E. SENOR DON MANUEL DELSICHI (Chile) agreed with MR. CLAIR WILCOX'S (United States) amendments.

Mr. NEHRU (India) stated that the subjects of full employment and full economic development were so distinct that they should be dealt with separately; but, as this was a preparatory Committee, he would nevertheless accept Mr. Clair Wilcox's amendments.

Mr. WUNSZ KING (China) suggested a separate Committee for industrial development be established later to examine the possibility of coordinating the results of the discussion of the five Committees on this point.

The Meeting adopted the proposed amendments.

Dr. COOMPS (Australia) proposed para. (c) be amended to read:

"Establishment of an International Trade Organization, as a specialized agency of the United Nations, having appropriate responsibilities in the above fields."

Mr. NEHRU (India) supported this proposed amendment.

Dr. SPEEKENERINK (Netherlands) believed special consideration should be given to countries rebuilding their industry in the post war period.

M. HERVE ALPHAND (France) believed consideration must also be paid to those countries in the front line during the war.

The Meeting adopted the proposed amendment to para. (c)

Mr. HELMORE (U.K.) fearing that separate enumeration of special circumstances in each country would very much complicate the agenda and prolong debate, proposed the adoption of the suggested Committee structure.

The CHAIRMAN declared discussion closed on this question.

The Meeting adopted the draft proposals regarding distribution of Committees, subject to the approved amendments.

The CHAIRMAN said that a Plenary Session would be held at 11 a.m. on Thursday, 17 October 1946, at which each Delegation would have an opportunity to make a general statement.

M. HERVE ALPHAND (France) suggested that the U.S. Delegation should express its views first and the other Delegations alphabetically thereafter.

The CHAIRMAN agreed to this suggestion.

The Meeting rose at 6.10 p.m.

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