CHAPTER III

EMPLOYMENT, EFFECTIVE DEMAND AND ECONOMIC ACTIVITY

Article 3

Relation of Employment to the Purposes of the Organization

Importance of Employment

1. The Members recognize that the avoidance of unemployment or under-employment through the achievement and maintenance in each country of useful employment opportunities for those able and willing to work and of a high and steadily rising effective demand for goods and services is not of domestic concern alone, but is a necessary condition for the expansion of international trade, for the well-being of other countries, and in general for the realization of the purposes of the Organization.

2. Members agree that, while the achievement and maintenance of employment and effective demand must depend primarily on domestic measures, such measures should be assisted by the regular exchange of information and views among Members and, so far as possible, should be supplemented by international action sponsored by the Economic and Social Council of the United Nations and carried out in collaboration with the appropriate inter-governmental organizations.

Inter-governmental organizations acting within their respective spheres and
consistently with the terms and purposes of their basic instruments.

Article 4

Maintenance of Domestic Employment

1. Each Member shall take action designed to achieve and maintain full and productive employment and high and stable levels of effective demand within its own jurisdiction through measures appropriate to its political and economic institutions, and compatible with the other purposes and provisions of this Charter.

2. Measures to sustain employment and demand shall be consistent with the other purposes and provisions of this Charter and in the choice of such measures each Member shall seek to avoid creating balance-of-payments difficulties for other Members.

Article 5

Fair Labour Standards

Each Member, recognizing that all countries have a common interest in the maintenance of fair labour standards, related to national productivity, shall take whatever action may be appropriate and feasible to eliminate sub-standard conditions of labour in production for export and generally throughout its jurisdiction.

Article 6

Removal of Fundamental Disequilibrium

In case of a fundamental disequilibrium involving other Members in persistent balance-of-payments difficulties which handicap them in maintaining employment, such Member shall make its full contribution to action designed to correct the situation.

* This change was made because of the difficulty of translating "maladjustment".

/Article 7
Article 7
Safeguards for Countries Subject to External Deflationary Pressure

The Organization shall have regard, in the exercise of its functions as defined elsewhere in this Charter, to the need of Members to take action within the provisions of this Charter to safeguard their economies against deflationary pressure in the event of a serious or abrupt decline in the effective demand of other countries.

Article 8
Consultation and Exchange of Information on Matters Relating to Employment

The Members shall participate in arrangements made or sponsored by the Economic and Social Council of the United Nations, including arrangements with appropriate inter-governmental organizations.

(a) for the systematic collection, analysis and exchange of information on domestic employment problems, trends and policies, including as far as possible information relating to national income, demand and the balance of payments; and

(b) for consultation with a view to concerted action on the part of governments and inter-governmental organizations in the field of employment policies.

Article 9
Importance of Economic Development

The Members recognize that the industrial and general economic development of all countries, and particularly of those in which resources are as yet relatively undeveloped, will improve opportunities for employment, enhance the productivity of labour, increase the demand for goods and services, contribute ultimately to economic stability, expand international trade, and raise levels of real income, thus strengthening the ties of international understanding and accord.

/Article 10
Article 10

[The] Development of Domestic Resources and Productivity

[Seeing] Recognizing that all countries have a common interest in the productive use of the world's human and material resources, Members shall take action designed progressively to develop industrial and other economic resources and to raise standards of productivity within their jurisdictions through measures compatible with the other provisions of this Charter.

Article 11

Plans for Economic Development

1. Members shall co-operate [through] with one another and with the Economic and Social Council of the United Nations and the appropriate inter-governmental organizations in promoting industrial and general economic development.

2. The Organization, upon the request of any Member, shall advise such Member concerning its plans for economic development and [shall, within its competence and resources, shall provide such Member on terms to be agreed, provide such Member, with technical assistance in completing its plans and carrying out its programmes or arrange for the provision of such assistance.

Article 12

Means of Economic Development

1. Progressive economic development is dependent upon adequate supplies of capital funds, materials, equipment, advanced technology, trained workers and managerial skill. Accordingly, the Members shall impose no unreasonable impediments that would prevent other Members from obtaining any such facilities for their economic development and shall co-operate, [within the limits of their power, with the appropriate international organizations of which they are members in the provision of such facilities] in accordance [with Article 11].
with Article 11, within the limits of their power, in providing or arranging for the provision of such facilities.

2. Members agree that Each Member, in their treatment of other Members and of business entities or persons within the jurisdiction[s] of other Members which supply it with facilities for its industrial and general economic development, shall not only carry out all relevant international obligations to which it is at present subject or which it may undertake pursuant to paragraph 5 of Article 61 or otherwise but also shall in general take no unreasonable action injurious to the interests of such other Members, business entities or persons.

3. Any Member, or with the permission of a Member, any affected business entity or person within the latter Member's jurisdiction, may submit to the Organization a complaint that action by another Member is inconsistent with its obligations under this Article. The Organization may, at its discretion, without prejudice to the application of Article 35, request the Members concerned to enter into consultation with a view to reaching a mutually satisfactory settlement and may lend its good offices to this end.

Article 13

Governmental Assistance to Economic Development

1. The Members recognize that special governmental assistance may be required in order to promote the establishment or reconstruction of particular industries and that such assistance may take the form of protective measures
Members recognize that at the same time they recognize that an unwise use of such protection measures would impose undue burdens on their own economies and unwarranted restrictions on international trade and might increase unnecessarily the difficulties of adjustment for the economies of other countries.

Therefore

(a) If a Member, in the interest of its programme of economic development, considers it desirable to adopt any protective measure which would conflict with any other provision of this Charter, or with any obligation which the Member has assumed through negotiations with any other Member or Members pursuant to Chapter V, it shall so notify the Organization and shall transmit to the Organization a written statement of the considerations in support of the adoption of the proposed measure. The Organization shall promptly inform those Members whose trade would be substantially affected by the proposed measure and afford them an opportunity of presenting their views. The Organization shall then promptly examine the proposed measure in the light of the provisions of this Chapter and other relevant provisions of this Charter, the considerations presented by the applicant Member, the views presented by the other Members which would be substantially affected by the proposed measure and such criteria as to productivity and other factors as it may establish, taking into account the stage of economic development or reconstruction of the applicant Member.

(b) If, as a result of its examination pursuant to sub-paragraph (a), the Organization concurs in any measure which would be inconsistent with any obligation that the applicant Member has assumed through negotiations with any other Member or Members pursuant to Chapter V or which would tend to nullify or impair the benefit to such other Member or Members of any such obligation, the Organization shall sponsor and assist in negotiations.
negotiations between the applicant Member and the other Member or Members which would be substantially affected, with a view to obtaining substantial general agreement. Upon such agreement being reached the Organization may release the applicant Member from the obligation in question or from any other relevant obligation under the Charter, subject to such limitations as the Organization may impose or as may have been agreed upon in the negotiations between the Members concerned.

(c) If, as the result of its examination pursuant to sub-paragraph (a), the Organization concurs in any measure, other than those provided for in sub-paragraph (b), which would be inconsistent with any other provision of this Charter, the Organization may, at its discretion, release the applicant Member from any obligation under such provision, subject to such limitations as the Organization may impose.

RESERVATIONS, ALTERNATIVE TEXTS, ETC.

Article 7

The Delegate for France suggested as an alternative to Article 7 the text set out in E/FC/T/C.6/N.24.

Article 13

(a) The Delegate for India suggested the text set out in document E/FC/T/C.6/N.25 Add.1, the substance of which he wished to see incorporated in Article 13.

(b) The Delegate for Lebanon proposed that a further sub-paragraph be added to paragraph 3. The text of his proposal is set out on page 14 of document E/FC/T/C.6/N.25.

(c) The Delegate for China reserved his position regarding the phrase "subject to such limitations Members concerned" in sub-paragraph (b) of paragraph 3.

(d) The Delegate
(d) The Delegate for New Zealand maintained the reservation made by the New Zealand delegation at the First Session (see Section I, paragraph 3, page C of the Report) regarding paragraph 3 and suggested that wording similar to that contained in paragraph 5 of Article 12 of the Charter drafted at the First Session should be substituted for the wording used.