

PREPARATORY COMMITTEE OF THE INTERNATIONAL
CONFERENCE ON TRADE AND EMPLOYMENT

COMMITTEE I

METHODS TO MAXIMIZE EMPLOYMENT

Draft Resolution adopted for submission to the Council of the ICC
(December 3 and 4 1946)

(Submitted by the International Chamber of Commerce)

1. The task of maintaining productive employment stably at its highest possible level calls for cordial continuous co-operation between government, business, agriculture and labour, effectuated wherever possible by appropriate institutional arrangements. It is not a task that can be accomplished by simple devices, nor by any section of society acting on its own. Since the International Chamber of Commerce is a business men's organization, the recommendations that follow deal first with the duties and responsibilities of business.

2. In order to maximise productive employment, business should foster a dynamic economy and the moderation of economic fluctuations.

To this end:

(a) Business should pursue a policy of vigorous enterprise in expanding production to serve human wants and aspirations and in keeping its activities healthy and profitable.

(b) It should endeavour to preserve and develop vigorous and fair competition.

(c) It should emphasize research for the discovery of new products and better methods and strive constantly to improve the productivity of those who toil.

(d) As higher productivity permits, it should pass on a substantial part of the gain in the form of higher wages and lower prices.

(e) It should cultivate by adequate training the potentialities and abilities of its employees and its management.

(f) It should employ practices that help to moderate economic fluctuations and thus foster economic stability. Realizing its obligations to ensure to the utmost of its ability, regular and satisfactory employment, it should explore every possible way of achieving this end; thus, for example, it should hold over to periods of low market demand more of its postponable expenditure for maintenance and improvements.

3. Labour and agriculture have the same interests as business in fostering a dynamic economy and in moderating economic fluctuations. They are therefore invited to take, through their responsible organizations, an active part in promoting and pursuing policies directed towards these objectives.

4. Government acting for the people:

(a) Should assume its inescapable responsibility for creating a favourable climate for a dynamic free economy under which people are encouraged to create for themselves the fullest possible productive employment and maximum production.

(b) Should encourage the extension of private enterprise, foster vigorous competition, and establish a tax structure and other policies that stimulate enterprise and output.

(c) Should provide appropriate aids to business, particularly through the improvements of facilities for the dissemination of business information and economic statistics.

(d) Should pursue an international policy designed to preserve peace and to foster multilateral private trading.

5. Government should recognise the great responsibility it possesses for the moderation of the business cycle. Government has also, from different motives of public policy, to intervene in various economic fields. It is important, therefore, that it should not only use the

instruments it possesses for the direct mitigation of the upward and downward swings, but should also ensure that its policies and actions in other fields are co-ordinated into a consistent whole with its specifically anti-cyclical policies and actions. The dominating aim should be the integration of all aspects of government policy touching the economic field with a view to stabilization and development. To this end government should:

(a) Use methods of taxation that tend to moderate rather than amplify economic fluctuations.

(b) Develop money and credit policies aimed at dampening inflationary pressure in booms and promoting credit expansion in depression.

(c) Time its construction of public works so that the maximum of expenditure be made in times of low business activity and the absolute minimum in times of threatened inflation. In order to carry out such a programme it is absolutely essential that the government have on hand at all times a backlog of projects, not only planned but blue-printed with all financing and legal details complete.

(d) Maintain a broad programme of social security benefits that will alleviate the fear of total loss of income and privation.

6. Governments of more industrialised countries should, upon invitation, actively investigate the possibilities of assistance which their countries could give to the industrial, technical and agricultural development of less advanced areas, so as to raise their standards of production and consumption, in the realization that by so doing they are also expanding their own markets for manufactured products.

7. The attainment and maintenance of high levels of production, employment and living standards in any one country is a matter of international concern. Without concerted international action, local policies for maximum employment cannot fully succeed; and without a

growing volume of international trade and intercourse, the possibilities of raising local standards of living are limited. Governments should therefore pursue whatever policies they adopt for the furtherance of domestic employment with due regard to the welfare of other countries and the prosperous growth of international trade. Through appropriate agencies, governments should co-ordinate their employment policies, foster counter-cyclical policies, and develop joint undertakings for the formulation of commercial policies, that are conducive to economic stability throughout the world. The Chamber notes with satisfaction the start that has already been made in this direction by institutions such as those created at Bretton Woods as well as by the London Preparatory Committee of the International Trade and Employment Conference.

8. The International Chamber of Commerce offers this statement of broad principles with the appended report of its Committee on Methods to Maximize Employment as a basis for action rather than for further discussion. With that end in view, it suggests that each National Committee should work out in concrete terms the application of these principles to the situation of its own country and make precise recommendations for action to its government.
