

PREPARATORY COMMITTEE OF THE INTERNATIONAL CONFERENCE  
ON TRADE AND EMPLOYMENT

COMMITTEE I

OBSERVATIONS ON THE DRAFT REPORT OF COMMITTEE I  
(E/PC/T/C.I/14)

(Submitted by the Polish Observer)

1. The Draft Report constitutes an excellent and most interesting document dealing with various international aspects of employment policy. It seems obvious, however, that, insofar as specific undertakings are concerned, its proposals are confined to measures against cyclical unemployment, while the structural side of this problem receives only marginal attention.
2. This, on the other hand, seems to be in contradiction with certain paragraphs of the Draft, where it is indicated that the aims of the Committee go beyond the sphere of purely cyclical problems. In fact, paragraph 7 affirms that "in order to maintain international trade at a high and stable level, it is necessary to maintain a high and stable level of demand for goods and services throughout the world". This, in turn, would imply a two-fold action: the maintenance of a high level of demand in those countries of the world, where it already exists, and the achievement of such demand in other countries. This implication seems to be confirmed by some remarks contained in paragraph 8 relating to differences between the meaning of "full employment" in a highly industrialized and a less industrialized country and, thus, to the necessity of dealing, both with under-employment and unemployment in the different countries of the world.
3. Thus, it would seem that the objectives of employment policy, as defined in the Draft Report, are:

(a) the maintenance of "full employment" (in those countries of the world where such "full employment" already has been achieved);

(b) the achievement of a full, productive and profitable employment (in those countries where such a level of development is not yet reached).

In the first case, employment policy has, obviously, but anti-cyclical objectives, while in the second its aims point toward structural changes in the national economies concerned.

4. The remaining paragraphs of the Draft Report do not, however, confirm the conclusion that might be drawn from the above mentioned passages of the Draft. This seems to be particularly true when Section 7 of Part II is considered. International action, as envisaged in this section, seems to be confined only to the maintenance of "full employment" in countries where it actually exists. Both, the heading of the section and its paragraph 23 speak only of "maintaining" employment and paragraph 24, when proposing studies of different measures to be applied in times of a "deflationary pressure", clearly indicates their anti-cyclical character.

5. "Draft clauses on employment", which constitute the Appendix to the Report, seem again to stop half-way in the proposed direction. While their paragraphs 1 and 2 speak of achieving and maintaining employment and effective demand, nothing is stipulated in the remaining text about any international action which might assist a country in its undertaking "to take action designed to achieve full employment". On the other hand, paragraphs 5 and 6 of the Draft clauses clearly indicate that formal undertakings on the part of the Members remain in the sphere of anti-cyclical policy.

6. It is true that some of the proposals forming the Draft Resolution on International Action relating to employment speak about both the achievement and the maintenance of full employment, but they remain only in the sphere of studies.

7. It would seem that such important an agreement like this proposed in the "Draft clauses on employment" should be worded in clear and unequivocal terms. If the aim of the Draft was to provide a set of undertakings concerning a concerted action against cyclical unemployment, this aim should be clearly stated. If, on the other hand, both the cyclical and the "structural" (concealed) unemployment were the objects of the proposed agreement, its provisions should be modified and supplemented accordingly.

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