

GENERAL AGREEMENT ON TARIFFS AND TRADE

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FULL EMPLOYMENT

Proposal by the New Zealand Delegation

The New Zealand delegation proposes the inclusion of the following article in the General Agreement.

ARTICLE []

Full Employment

The Members recognize

- (a) that the achievement and maintenance in all countries of high and stable levels of productive employment are necessary to ensure a large and steadily growing volume of real income and effective demand for goods and services leading to the development of the full use of the resources of the world and to expansion in production and consumption which are essential pre-requisite conditions to the attainment of the objective of securing an increasing flow of international trade;
- (b) that the production, trade and balance of payments of individual countries could be materially affected by a decline in the level of employment in other countries.

Accordingly:

- (i) the Members shall, where necessary, take action not inconsistent with the provisions of this Agreement, designed to achieve and maintain full and productive employment and large and steadily growing demand within their own territories through measures appropriate to their political, economic and social institutions;

- (ii) the Organization shall have regard, in the exercise of its functions under other articles of this Agreement, to the need of Members to take action within the provisions of this Agreement to safeguard their economies against inflationary or deflationary pressure from abroad. In case of deflationary pressure special consideration shall be given to the consequences for any member of a serious or abrupt decline in the effective demand of other countries;

- (iii) the Organization shall, if it considers that the urgency of the situation so requires, initiate consultations with a view to considering appropriate measures designed to prevent the international spread of a decline in employment, production or demand.