

5. As the various countries emerge from the phase of shortages and potential inflation into more normal economic conditions, measures of the following type, construed and timed in the light of the circumstances prevailing in particular countries, will become appropriate—

- (a) The controls mentioned in paragraph (4) above should be relaxed in such a way as to keep pace with the increasing supply of transport, power, materials, capital goods, and consumption goods:
- (b) The high level of taxation necessary during the war and early post-war period should be relaxed as the inflationary danger recedes, and in applying this principle the benefit of tax reduction should apply initially—
 - (i) To taxes which bear on lower incomes; and
 - (ii) To taxes likely to restrict necessary investment.

6. (1) When the inflationary danger has passed, the problem will be to maintain an adequate level of aggregate demand for goods and services.

(2) In order that the scale of employment offered by private and public employers may be adequate, Governments should take positive steps to ensure that any deficiency in the total demand for goods and services, in relation to that required to achieve full employment in the circumstances ruling at the time, will be offset by an expansion of private and/or public expenditure in accordance with the principles set out in Chapter II of the report on "The Maintenance of High Levels of Employment during the Period of Industrial Rehabilitation and Reconversion" (Report II) submitted to the Twenty-seventh Session of the Conference.

(3) One of the principal instruments for achieving this object would be the adoption of a suitable budgetary policy, and in determining such a policy special regard should be had to its effect on the magnitude and composition of aggregate demand and thus on the volume and structure of employment and output.

(4) In applying the above principles consideration should be given, whenever aggregate demand threatens to become deficient, to—

- (a) The stimulation of consumption by subsidies:
- (b) The reduction of taxes on lower incomes:
- (c) The expansion of public investment.

(5) Adequate unemployment insurance and/or assistance schemes should be established in countries which have not yet adopted such schemes, this being important not only for social reasons, but in order to maintain purchasing-power.

7. In order to assist the progressive raising of the standard of living of all workers, the Conference recommends the establishment of appropriate minimum wage standards adequate for satisfying reasonable human needs.

8. (1) As the shortages of transport, sources of power, materials, and industrial equipment in relation to the available labour which characterize the period of industrial rehabilitation and reconversion, more especially in the devastated countries which are members of the United Nations, tend to cause unemployment, and as the shortage of consumption goods, more particularly food, clothing, and medical supplies, may deprive employed workers of the minimum standards necessary to enable them to do their work efficiently, arrangements should be made by the Governments concerned to enable the countries in which there are serious shortages of such goods to import—

- (a) The sources of power, materials, and industrial equipment required to restore transport, to reconstruct their industries, and to replenish their stocks so that the available labour may be fully employed on productive work in accordance with reasonable social priorities: and
- (b) Consumers' goods necessary to ensure to the people a satisfactory standard of living.