REPORT I

International Labour Conference

THIRTY-FIRST SESSION
SAN FRANCISCO, 1948

REPORT
OF THE DIRECTOR-GENERAL

First Item on the Agenda

GENEVA
International Labour Office
1948

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International Labour Conference

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INTRODUCTION

It has become customary to preface this Report with a brief indication of the international political situation, since only against that background can social and economic trends, and the place of the International Labour Organisation in relation thereto, be realistically appraised.

The task on this occasion is one of peculiar difficulty. The international political situation is unprecedented in character and therefore it does not lend itself to any easy or rapid description in conventional terms.

When the last Report was written, some eleven months ago, it recorded the disappointment of the hopes, earlier entertained, that the network of the peace treaties might be completed by agreement on the Austrian and German settlements. After a long period of deadlock, there is now an indication that some of the obstacles in the Austrian negotiations are being overcome. As regards the German Treaty, the London Conference of Foreign Ministers which met in November last dispersed a few weeks later without having been able to make any progress. No further meeting has since taken place and none is in prospect. Thus, three years after the end of hostilities the war has not been legally ended and the essential juridical foundation of peace remains unachieved.

This situation would be grave enough in itself. Unfortunately, the difficulties encountered in the peace treaty discussions proved to be only the symptom of much wider and deeper divergencies of opinion. It is unnecessary to discuss here or even to enumerate the series of events during the last seven or eight months which indicate that these divergencies have been accentuated rather than diminished. Those events have headlined the press throughout the world. The general pattern to which they might be expected to conform, and the reactions which they might equally be expected to provoke, had already been manifested in the public debate which took place at the General Assembly of the United Nations in September last. That debate, remarkable for a vehemence unprecedented in
international discussions, revealed that the differences between
the Allies, for allies they technically remain, since the war has
not been ended, were not matters of limited scope which could
be disposed of by concession or compromise, but amounted
to a profound divergence of view as to the basic nature of the
objectives to be pursued. The content of the four freedoms and
the democratic principles of the political processes by which
those freedoms might be secured and maintained, far from
providing a generally accepted foundation on which the peoples
of different political and economic systems might together
build a world structure of peace and prosperity, were found to
reflect no real agreement, but only to provoke charges and
countercharges of misinterpretation.

It is this divergence as regards the very principles which
alone, in the eyes of the Western Powers, give meaning to
their sacrifices and their victory in the war, this basically
different approach and attitude which now overshadows
the whole political scene. The hope that a brotherhood in arms
against a common enemy would lead to a comradeship in peace
has not been fulfilled.

But though it would be dangerous to underestimate a dis-
illusion which is depressing and disheartening, it would be
equally dangerous to exaggerate it. Perhaps it was always
over-optimistic to assume that some such collision of policies
and methods could be avoided, and in any case the atmosphere
of apprehension and suspicion which it naturally engenders
should not be allowed to obscure either the nature or the
importance of other developments. Secretary Marshall's plan
for aid to Europe, first outlined in his speech at Harvard in
June of last year, has received the approval of Congress by
overwhelming bipartisan majorities in both the Senate and the
House. The legislative process has been completed by President
Truman's signature, and the first ships carrying supplies to
Europe are making their way across the ocean. While these
legislative discussions were in progress in Washington, comple-
mentary action was undertaken by the sixteen European
Governments which decided to participate in the plan, first in
the direction of surveying their needs and determining the
nature and extent of the aid required, and secondly in the
direction of jointly working out their own contribution to its
success. The essential principle of the plan is indeed the extend-
ing of help to Europe so that Europe may help itself. It is this
feature which justifies President Truman’s description of the plan as “the greatest venture in constructive statesmanship ever undertaken”.

The necessity for a better organisation of Europe’s economy was evident long before the war. The opportunity is now available, and the responsibility for successfully using it lies with the European States themselves. There is evidence that they are ready to tackle the problems involved with energy and courage and in no exclusive spirit. The sixteen countries have concluded an agreement under which their organisation for the operation of the plan is given formal shape; a Treaty has been signed between the United Kingdom, France, Belgium, the Netherlands and Luxembourg; Belgium, the Netherlands and Luxembourg have made considerable progress towards a customs union; a French-Italian and a Scandinavian customs union are envisaged.

To those who have long dreamt of some form of European Union these steps, which must necessarily lead to many others, must be a matter for deep satisfaction, accompanied by keen regret that because of the political cleavage between East and West they are confined to Western Europe only. For notwithstanding the cleavage, and notwithstanding the network of arrangements either between the countries of Eastern Europe or between those countries and the U.S.S.R., the channels of trade between East and West are by no means abandoned. A recent report on the economic situation and prospects of Europe prepared for the Economic Commission for Europe, which has found a fruitful field of activity covering Europe as a whole and has much valuable achievement to show, points out that “although the trade within the region [Eastern Europe] and the trade with the Soviet Union has tended to increase both absolutely and proportionately since the war, there is no evidence that this will mean an ultimate reduction in the volume of trade of Central and South-eastern Europe with Western Europe and overseas”. Thus, the hope, and indeed the expectation, has been expressed on both sides that commercial exchanges should continue. How the economic pattern, both regionally and over the Continent as a whole, will develop cannot be foreseen. One thing is certain, and that is that it will differ from the old pattern which was destroyed by the war. It will of course be influenced by the political changes which have taken place, but at the moment there is no reason to conclude that the economic
picture will show as sharp a division as that which marks the political scene.

Although attention has been mainly concentrated on developments in Europe and their wider implications, there have been political events elsewhere of great importance, and of potentially greater importance in the future. These developments, of historic and far-reaching significance though they may be, do not, however, present the same acute and immediate international issues as those dealt with above. For this reason they need not here be discussed in detail, but a few instances may give a brief indication of their magnitude and scope. India, Pakistan and Ceylon have entered into full statehood as Dominions, Burma has become an independent Republic, and a new Malayan Federal Constitution has come into force. The Pan American Defence Treaty signed at Rio de Janeiro in September of last year marks another step in developing the principle of solidarity between the Republics of the American Continent, and the holding of the Conference at Bogotá, to meet the first since the war, shows the intention and desire of the American States to solve their common problems through concerted action.

In a still wider field, the United Nations, there are both successes and failures to record, as a few examples will show. The Final Act of the Trade and Employment Conference has been signed by the delegates of fifty-three nations at Havana, and an economic international Charter, unique in extent and character, goes to the different nations for their consideration; the Constitution of the World Health Organisation has come into force; and agreement has been reached on a United Nations Maritime Organisation. Though progress has been made towards the settlement of the Indonesian dispute through the work of the “Good Offices” Committee of the Security Council, the Palestine question has become more acute than ever, and no agreement as regards Korea has been reached. On the other hand, the Court of International Justice has proceeded to deal with the Corfu case in an atmosphere of serenity and dignity which lends hope and confidence for its future.

What is indeed remarkable is that, while the political cleavage has gone so deep and while it has envenomed many phases of international discussion and deadlocked both the Great Powers and the United Nations on so many important issues, there is no question of abandoning the United Nations machinery. Its very failures have paradoxically afforded a
manifestation of its strength. It is often said of an institution which renders great service that if it had not existed it would be necessary to invent it. But if there was no United Nations it is clear that no such institution could today be brought into existence. Whatever its weaknesses at the moment, it remains the only hope both of the present and of the future. So long as Members, however great their differences, continue within its fold, there is hope that these differences, even if they cannot be resolved, will not become wholly isolated issues, with the increased danger that such isolation would imply, but, set in this larger framework, may constantly be subjected to the changing perspective of wider interests. Thus, though the United Nations may not at this phase of its development be able to ensure that full collaboration between the Great Powers on which its success was predicated, it may nevertheless serve to provide the conditions in which their most acute differences, though not resolved, are to some extent diluted. No doubt such a prospect falls far below the hopes of its founders. But if the United Nations should in this way preserve some sort of equilibrium, however precarious, between the opposing parties, it will remain true to its fundamental purpose.

If international collaboration could be developed on a set of universally agreed principles, its path would be relatively easy. Since at the moment that is unfortunately not the case, the only possibility is to pursue it wherever and whenever it can be made to work, in the hope that slowly it will build firmer and firmer foundations. In that effort the International Labour Organisation has its part to play. Its objectives, better conditions of labour and higher standards of living, know no boundaries of political or economic or ideological division. It welcomes the collaboration of all who are willing to subscribe to its Constitution and to pursue its objectives through the democratic methods for which that Constitution provides. Conscious of the contribution which it can thus make to the purposes of the United Nations at this critical time, it will turn with renewed faith and energy to the tasks which are properly its own, confident that the spirit in which it met the threat to its survival during the war, the spirit in which at Philadelphia it reviewed its past and resolved upon its future, will continue to inspire its activities and thus advance the twin causes of social justice and international peace.
CHAPTER I

THE ECONOMIC BACKGROUND

In 1944, at Philadelphia, the Members of the International Labour Organisation reaffirmed the fundamental principle that "the war against want requires to be carried on with unrelenting vigour within each nation, and by continuous and concerted international effort". Nearly three years have now elapsed since hostilities ceased in Europe, and about a year and a half since the reconversion of industry from war to peace was completed. It is perhaps an appropriate time to consider what progress has been made towards "full employment and the raising of standards of living", and what action is being taken to overcome the main obstacles to further progress in this direction.

EMPLOYMENT

The first of these objectives, "full employment", has been achieved, at least for the time being, in most countries. As is noted in Chapter II below, employment in general continues at a very high level. In a few countries, however, serious unemployment still exists. Italy is the most striking example, with one and three-quarter to two million persons out of work. The position in Germany, while still serious, with about one million, or 3.5 per cent. of the working population, unemployed in September 1947, shows some improvement as compared with the position a year earlier. In Austria there has been a considerable improvement.

As has often been pointed out, "full employment" does not mean that there is no one out of a job; but it does imply that the proportion of persons unemployed is small, and that the great majority of them will be out of work only for a short time. The fact that in the United States, for example, there were about 1,642,000 persons out of work in December 1947 does not mean
that full employment had not been reached, for this number represented only 2.8 per cent. of the labour force, and for the great majority of those included in it the time lost before they found a new job would be short. Satisfaction at the position as revealed by statistics should not, however, lead to any slackening of effort to improve employment service organisation, to be ready with measures to prevent any threatened decline in employment, and to prepare for any substantial unemployment which may develop. Nor do statistics tell the whole story; in many countries, such as China and India, underemployment in agriculture, the full extent of which it is difficult to assess, is a major cause of poverty and lost production.

**Factors Affecting the Standard of Living**

With the more obvious ravages of war largely repaired, and with the great majority of those able and willing to work actively employed, it might reasonably have been hoped that marked progress would be made toward the objective of raising standards of living. There has indeed been a continuation of the progress noted in last year's Report, but the rate of improvement has been slower than most people expected and both production and living standards are still threatened by inflation. The rebuilding of productive capacity and the adjustment of the intricate and delicate mechanism of the economic system to changed patterns of international economic and political relations are tasks which require much time, and the rate of increase in the production of goods and services is consequently slow. Money incomes, however, have risen faster. There has consequently been a strong upward pressure on prices.

Food production has again suffered from adverse weather conditions and from lack of fertilisers and agricultural equipment; industrial output has continued to be affected by shortages of fuel and steel and by inadequate maintenance and replacement of capital equipment. Above all, the shortage of "hard" currencies, dollars in particular, has set severe limits in most countries to the import of equipment and materials, and has led to strenuous efforts to increase exports even of goods that are urgently needed in the countries which produce them.

These characteristics of the world economic situation will be briefly reviewed below, together with some of the steps which have been taken or proposed for the purpose of increasing production, expanding world trade, and thereby raising living standards.  

**Inflation, Wages and Output**

In the Reports submitted to the last two sessions of the Conference, attention was drawn to inflation as one of the major threats to the raising of the standards of living. This problem is with us still, and is one of the main preoccupations of Governments in almost every country.

The extent of the inflation has of course varied widely in different countries. In China, it has been particularly spectacular and particularly disastrous. In September 1947 the Chinese cost-of-living index was between eight and nine times higher than the level of a year before; and it has risen much further. In Japan, retail prices almost trebled, and in Austria they rose two-and-a-half times in the course of 1947. In two other countries—Rumania and the U.S.S.R.—inflation went to such lengths that drastic currency reforms became necessary. In Rumania the existing currency was withdrawn in August 1947 and one new leu given in exchange for 20,000 old lei. In the U.S.S.R. the old currency was exchanged for new in December 1947 at the rate of ten old rubles for one new.

Among other countries, the most serious inflation showed itself in France, where food prices rose by about 60 per cent.

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4 The rates of exchange for savings deposits, however, were more favourable: ruble for ruble up to 3,000 rubles; two new for three old rubles for the remainder up to 10,000 rubles; and one new for two old rubles for deposits above 10,000 rubles.
During 1947; in Italy, where the cost-of-living index rose by about 46 per cent. between January and October; and in Greece, where the rise during 1947 was about 50 per cent. Other European countries which suffered rises of over 30 per cent. were Finland and Hungary. The effects of these increases were inevitably serious. Wages, as usual, rose less rapidly than the cost of living, and in countries where food, fuel, clothing and other consumer goods were already in short supply the inflation further undermined the standard of living of the workers.

In Latin America, the sharpest rise in the cost of living in 1947—some 46 per cent.—occurred in Peru. In Bolivia and Chile, the rise was over 20 per cent. In four Latin American countries (Argentina, Colombia, Uruguay and Venezuela), prices rose from between 10 and 20 per cent. Increases in excess of 20 per cent. also took place in Poland and in Iraq, and in Canada there was a rise of 14 per cent. The great majority of countries experienced smaller increases, not exceeding 10 per cent., while in rare cases there were small declines—for example, in Czechoslovakia. In only one country, the Philippines, was there a marked fall in prices (about 30 per cent.). More recent information, however, indicates a small decline in Poland.

The case of the United States is of special importance, in view of the key position of that country in international trade. Though the cost-of-living index rose only 9 per cent. in 1947, wholesale prices rose 16 per cent., and the sharp rise in such commodities as grain (55 per cent.) and iron and steel (21 per cent.) involved a severe drain on the dwindling dollar resources of the Western European countries dependent on grain and other imports from the United States.

Even in countries where the rise in the cost of living has so far been relatively moderate, the danger of inflation is still serious. First, where wages have not risen to the same extent, there is an understandable pressure for wage increases which, in the absence of any corresponding increase in output, seem bound to lead to a further rise in prices. Secondly, in many countries the cost of living is being kept more or less stable only at the cost of large consumer subsidies, which make a balanced budget difficult or impossible to attain. Thirdly, the rise in the cost of living is not always fully reflected in the official index numbers. These indexes are particularly unrepresentative in countries where recourse to the black market is widespread. Finally, the full effect of recent increases in wholesale prices has
not yet been felt at the retail level. Wholesale prices of food-
stuffs, for instance, have nearly everywhere been rising much faster than the corresponding retail prices, and, even if the former were to rise no further, the latter would still have some way to go.

The inflationary spiral of rising prices and rising money incomes thus remains a major challenge both to Governments and to employers' and workers' organisations. In most countries efforts are being made to strike at the causes of inflation through fiscal and other means. In France, for instance, the Government aims at covering the whole of its budgetary expenditure for 1948, both ordinary and extraordinary, out of the yield of taxation, and at reducing purchasing power by means of a special levy which may be paid in the form of subscriptions to a loan amounting to 100,000 million francs.\(^1\) Quite apart from essential measures of this nature, there is fortunately a growing recognition that a general rise in real incomes is possible only if total output increases, and that in conditions of full employ-
ment such an increase can occur only if average output per head goes up. Unless this condition is satisfied a rise in money incomes may do more harm than good. As a recent British White Paper has put it: "If general increases in profits, salaries or wages take place without more goods being made available, no one can obtain any real benefit except the black market operator; the rest of the community has to endure the disloca-
tion and hardship which inevitably accompanies inflation." The statement therefore concludes that "until more goods and services are available for the home market, there is no justifica-
tion for any general increase of industrial money incomes", and that "experience has shown that, when it comes to a race between rising prices and rising personal incomes, prices will always win in the long run so that conditions become progress-
vously worse for the holders of all personal incomes, but particu-
larly for wage earners".\(^2\)

In such circumstances as these, where an increased money demand cannot, owing to shortages of manpower, equipment or materials, call forth a correspondingly greater output, the

\(^1\) Rapport sur les efforts de relèvement accomplis par la France depuis la réunion du Comité de coopération économique européenne de juillet-

principle of discouraging any general rise in money incomes appears to be generally accepted. That at any rate is the impression given by the discussion in the Conference on last year’s Report. The question is how to apply this principle. It is argued by some that income receivers in general should be trusted to exercise restraint in securing for themselves a greater share of the limited supply of available goods and services. This is the view which appears to underlie the British Government’s conclusion that “it is not desirable for the Government to interfere directly with the income of individuals otherwise than by taxation. To go further would mean that the Government would be forced itself to assess and regulate all personal incomes according to some scale which would have to be determined. This would be an incursion by the Government into what has hitherto been regarded as a field of free contract between individuals and organisations.”

A similar willingness to rely on individual moderation and restraint is evidenced in the recommendation of the Norwegian Council for Economic Co-ordination that the Provisional Act prohibiting an increase in wages should lapse at the end of 1947. The General Confederation of Trade Unions, which had welcomed this step, pointed out “that a general increase in present monetary wages cannot be achieved without its resulting in rising prices and consequently in increased cost of living” and stated that the Council would not take the responsibility of endangering the important gains the wage earners had achieved by making new demands for increased wages.

In almost all countries of Continental Europe, in many countries of Latin America, and in Australia and New Zealand, wage rates are subject to control by public authority. Such controls were introduced in wartime, the fixing of maximum rates of wages being entrusted in many cases to the same authorities which were originally established for the purpose of fixing minimum wages; and these controls have been continued as a means of preventing wage increases of such dimensions as would lead to further price increases.

In Canada and the United States, on the other hand, the controls of this type which were introduced during the war have since been abandoned.

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1 Statement on Personal Incomes, Costs and Prices, op. cit., p. 3.
The advantages and disadvantages of such controls, together with the whole question of what wage policies are appropriate to conditions of inflation and short supply, will no doubt be considered by the Conference in its general discussion on wages; and some of the problems involved are analysed in the report which is being submitted as a basis for that discussion.

One aspect of the matter may however be briefly noted here. Important though it may be to maintain a balance between money incomes and the supply of goods, it is essential, if the problem is to be solved, to go beyond the negative approach of limiting incomes and to devise positive measures to increase production. This is of course a manysided task, but it is one to which an appropriate wage policy may make a useful contribution. It is the realisation of this fact which underlies the increasing interest in many countries in production bonuses and other incentives to increased output. As the Central Commission of Polish Trade Unions has put it, "today the struggle for efficiency of labour stands as the key problem for further increases of wages. It is necessary to place before the working class clearly and openly the fact that the budget of the worker cannot be made realistic in relation to prices—even to the pre-war level—so long as labour efficiency continues to be considerably below that of pre-war, so long as production efforts still do not correspond to the maximum use of our existing reserves in the sphere of manpower and labour efficiency." As part of the campaign to improve efficiency in Poland, "labour competitions" are held for individual workers, for different undertakings and for entire industries. The coal miners and the textile workers, for instance, competed for the highest output index for the last four months of 1947, prizes worth 300 million zlotys going to the workers. Similarly, in the United Kingdom, considerable publicity is now given to individual performances in, for instance, the cutting of coal. In Czechoslovakia, payment by piece rates is being introduced whenever possible as a means of stimulating output; and premiums of various types are paid for high performance and for making the best use of materials and equipment.

Policies of this kind, besides encouraging increased output per head, may, if applied in the right places and with proper

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safeguards, help in some degree to solve the difficult problem of attracting a larger proportion of the total labour force into the industries in which its services are most needed. More increases in the time rates of wages paid in those industries are hardly an effective instrument for this purpose, since workers in other industries will seek similar increases in order to maintain their traditional relative position and, in conditions of full employment, will be well placed to secure such increases. Differentials in earnings, due to the introduction, extension or improvement of piece rates or production bonuses in essential industries, seem less likely to provoke the same reaction. They may thus provide a positive incentive to the kind of labour mobility which is necessary in the interest of the community as a whole, while at the same time avoiding the inflationary consequences of more general increases which bear no direct relation to output.

The problem of a proper balance between incomes and output in conditions of full employment is, however, more than a problem of the relation between two aggregate amounts. The division of income between spending and saving, and the division of output between consumption goods and capital goods, are no less important. The latter point in particular is receiving increasing attention. It is being realised that one of the main factors in present inflationary trends is the high level of capital investment—reconstruction in Europe and the capital development boom in the United States, Canada and a number of other countries. In conditions of full employment and shortages of goods the allocation of manpower and materials to capital construction means just so much less for the production of consumers' goods. At the same time the expenditure on such construction puts income in the hands of workers employed either directly on capital works or in making equipment for them, and in the hands of shareholders in the enterprises concerned, without adding to the immediate supply of consumers' goods. If the expansion in incomes is such as to raise total consumer spending beyond the limit of available supplies of goods, prices are bound to rise. In the absence of comprehensive and rigid controls of prices and of the allocation of labour and materials, there is thus a definite limit, set by the

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1 See, for example, the interesting account of the position in Canada given in Bank of Canada: Annual Report to the Minister of Finance and Statement of Accounts for the Year 1947 (Ottawa, 1948).
average propensity to consume, to the volume of capital investment that can be undertaken without inflation.

The realisation of this fact has recently led to a scaling-down of the British Government’s plans for capital investment in 1948. In mid-1947, gross capital investment in the United Kingdom was proceeding at the rate of about £1,550 million a year, and the original programme for 1948 provided for £1,600 million. This is being cut to £1,420 million, one of the main reductions being in housebuilding.¹

In France also, the programme of public investment has been reduced. The 181,500 million francs provided for reconstruction for 1948 represent an 11 per cent. cut in the volume of work compared with the previous year, and correspond to a rate which, if it should not be improved upon, would only enable war damage to be made good in fifteen years. New capital investment in basic industries is to be limited to the completion of undertakings from which early returns are expected. The temporary reductions involved vary, as compared with 1947, between 22 per cent. in the case of electricity undertakings and 40 per cent. in the case of railways.²

Problems of this kind are bound to be faced by any country in which large programmes of capital reconstruction or development are undertaken or pursued in conditions of full employment and short supply. For this, as well as other reasons, the control of inflationary tendencies seems likely to remain, for some little time to come, one of the main preoccupations of public policy in many countries. The problem is one in which the interests of employers and workers are directly involved, and which is unlikely to be solved without their ready and continuing co-operation. One of the essential foundations for such co-operation is adequate information on current economic conditions and in particular on the factors affecting both the supply of goods and the level of demand. It is one of the encouraging features of the present situation that information of this kind is increasingly being collected and is beginning to be made available in popular form. There is, however, a great deal more to be done in this direction, and in countries in which

² Rapport sur les efforts de relèvement accomplis par la France depuis la réunion du Comité de coopération économique européenne de juillet-septembre 1947, op. cit., section 21.
the responsibility for decisions affecting the level of incomes and of spending lies largely in the hands of individuals and industrial organisations, the fuller development of such information services is probably one of the most important tasks of public policy.

**FOOD SUPPLIES**

The basic element in any standard of living is food. Data, of a somewhat approximate character, have now been made available showing the consumption of food in calories before the war, in 1945-46 and in 1946-47 in most European countries. These are given in table I.

**TABLE I. ESTIMATE OF CALORIE VALUE OF DAILY INTAKE PER CAPITA FOR TOTAL POPULATION IN EUROPEAN COUNTRIES**

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<th>Country</th>
<th>Pre-war</th>
<th>1945-46¹</th>
<th>1946-47</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>2,900</td>
<td>1,700</td>
<td>2,000</td>
</tr>
<tr>
<td>Belgium</td>
<td>2,900</td>
<td>2,200</td>
<td>2,400</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>2,700</td>
<td>2,000</td>
<td>2,500</td>
</tr>
<tr>
<td>Denmark</td>
<td>3,200</td>
<td>2,900</td>
<td>3,100</td>
</tr>
<tr>
<td>Finland</td>
<td>3,000</td>
<td>2,300</td>
<td>2,600</td>
</tr>
<tr>
<td>France</td>
<td>3,000</td>
<td>2,300</td>
<td>2,600</td>
</tr>
<tr>
<td>Germany</td>
<td>3,000</td>
<td>1,600</td>
<td>1,800</td>
</tr>
<tr>
<td>Greece</td>
<td>2,450</td>
<td>2,100</td>
<td>2,200</td>
</tr>
<tr>
<td>Italy</td>
<td>2,700</td>
<td>1,850</td>
<td>2,000</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2,900</td>
<td>2,300</td>
<td>2,600</td>
</tr>
<tr>
<td>Norway</td>
<td>3,100</td>
<td>2,500</td>
<td>2,600</td>
</tr>
<tr>
<td>Poland</td>
<td>2,600</td>
<td>2,100</td>
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<tr>
<td>Rumania</td>
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<td>—</td>
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</tr>
<tr>
<td>Sweden</td>
<td>3,100</td>
<td>2,800</td>
<td>2,800</td>
</tr>
<tr>
<td>Switzerland</td>
<td>3,000</td>
<td>—</td>
<td>2,500</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>3,000</td>
<td>2,800</td>
<td>2,900</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>2,700</td>
<td>2,300</td>
<td>2,100</td>
</tr>
</tbody>
</table>


¹ March 1946 approximately.

² Not available.

These calorie figures give a general indication of the decline in European standards of living since the pre-war period and of the moderate improvement during 1946-47 in many Western European countries, in Czechoslovakia and in Italy. They do not, however, reflect the whole truth. In the first place, calorie intake has been maintained by an increased consumption of grain and potatoes, while the consumption of fats, meat and
sugar has decreased sharply.¹ There has been far less variety in food. Secondly, poor harvests and cuts in imports in the second half of 1947 have presumably led to a further decline, especially in Western Europe. Thirdly, the effect of inflation on the distribution of the food between urban and rural population and among different income groups has meant that much less than the average has in most cases been available to the industrial wage earner and still less to the salaried employee in commercial establishments or the civil servant. On the other hand, the consumption of the rural population in most countries is well above the average.

Comparable data on food consumption are not available for all countries, but some indication of the general position is given by the estimates of world food production shown in table II.

In interpreting this table, it must be borne in mind that the general level of nutrition before the war could certainly not be regarded as adequate for all income groups, even in wealthy communities, and that the world’s population has increased since 1937 by about 9.5 per cent. As a result, the per capita consumption of bread grains and rice in 1947-48 is still 13 per cent. below the average of the years 1934 to 1938, and the picture is even worse in terms of animal food, fats and oils, in spite of a welcome increase in the latter.

Last year, it was possible to report that favourable weather had helped food output, especially in Europe; unfortunately, in 1947 many countries sorely in need of food suffered from adverse weather. As a result, grain production in all Europe (excluding the U.S.S.R.) in 1947 amounted to only 80 million metric tons, as compared with 81.5 million in 1946 and an average of 116 million in 1934-38; while potato production amounted to only 98 million tons in 1947, as compared with 100 million in 1936 and 134 million in 1934-38.² Certain areas fared worse than others.

¹ See UNITED NATIONS: Economic Report, op. cit., table 72, pp. 154-155, for the annual per capita consumption of grain products, fats, meat, and sugar in European countries in 1946-47, compiled from INTERNATIONAL EMERGENCY FOOD COUNCIL: Reports of the Secretary-General to the Fourth and Fifth Meetings of the Council, July and Oct. 1947.
² UNITED NATIONS: Economic Report, op. cit., chapter on the world food situation contributed by the Food and Agriculture Organisation of the United Nations; also p. 148.
TABLE II. WORLD FOOD PRODUCTION

(1947-48 production as percentage of pre-war and of 1946-47 levels)

<table>
<thead>
<tr>
<th></th>
<th>Pre-war</th>
<th>1946-47</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat and rye</td>
<td>96</td>
<td>102</td>
</tr>
<tr>
<td>Rice</td>
<td>93</td>
<td>101</td>
</tr>
<tr>
<td>Coarse grains</td>
<td>97</td>
<td>93</td>
</tr>
<tr>
<td>Fats and oils</td>
<td>88</td>
<td>103</td>
</tr>
<tr>
<td>Sugar</td>
<td>92</td>
<td>103</td>
</tr>
<tr>
<td>Meat</td>
<td>93</td>
<td>99</td>
</tr>
<tr>
<td>Dairy products</td>
<td>87</td>
<td>99</td>
</tr>
<tr>
<td>Potatoes</td>
<td>83</td>
<td>99</td>
</tr>
<tr>
<td>All foods</td>
<td>93</td>
<td>99</td>
</tr>
</tbody>
</table>

Source: INTERNATIONAL EMERGENCY FOOD COUNCIL: Report of the Secretary-General to the Fifth Meeting of the Council, Part I, Table 1. Reproduced in UNITED NATIONS: Economic Report, op. cit., Table 2, p. 7.

The Danubian countries were fortunate in their weather, but in Western Europe an exceptionally cold winter damaged autumn sowings and a very dry summer further reduced grain yields. In France, for instance, the grain crop in 1946-47 yielded only 59 per cent. of the pre-war average, as against 80 per cent. in 1945-46; fortunately, the potato crop was up to pre-war standard, an increase of 50 per cent. over the previous year. Because of the disappointing harvests, considerable quantities of grain had to be imported from overseas, especially in the first half of 1947.

In the Far East also, shortages of cereals were experienced in 1947. The total yield of cereals in India in 1946-47 was 3.2 million tons (6.4 per cent.) below the average of the five years ending 1943-44 (23.6 per cent. below in the case of wheat). Serious difficulties arose in procuring grain from the producers to supply deficient areas; rations, where in force, had to be cut, and a real crisis was averted only by the timely arrival of imports.

In brief, the world food situation, viewed as a whole, instead of improving since 1946, has, if anything, deteriorated. Compared with the pre-war position, the distribution of food has also
become more unequal; some countries now consume 30 per cent. less food per capita than before the war, while others, though the principal exporters of food, consume as much as 15 per cent. more. As the present Report was being written however, there were some indications of an improvement in prospect. Though it was too early in the season for firm estimates to be made, increases were expected in the world production of cereals, rice, fats and oils, sugar and feeding-stuffs in 1948; and these estimates were reflected in declines in wholesale prices. The expected increases would, however, fall far short of meeting current requirements, and would not lessen in any way the need for energetic and concerted efforts to increase world food production.

As has been pointed out on a number of occasions by the Food and Agriculture Organisation, the problem of increasing the world production of food involves both short-term and long-term aspects.

In Europe, though long-term changes of land tenure, regrouping of holdings and the introduction of new methods of cultivation may be required, attention has so far been concentrated largely on the short-term problems of securing fertilisers and farm equipment, in particular, tractors, which are urgently required to increase output.

The most serious shortage of fertilisers is that of nitrogenous fertilisers, which have been described as "a key factor limiting European food production". The shortage, however, affects not only Europe, but the world as a whole. World production in 1946-47 of 2,710,000 metric tons (in terms of nitrogen) is estimated to be 800,000 tons below requirements. The net import requirement for nitrogen of the Western European


countries for 1947-48 has been estimated at 440,000 tons for 1947-48, 297,000 tons for 1948-49 and 149,000 tons for 1949-50.  

Allocations made by the International Emergency Food Council for the year 1947-48 have left Europe short by 32 per cent. of stated requirements, and that in spite of the fact that output in Europe, excluding the U.S.S.R. and Germany, is nearly one-third greater than it was before the war. The problem is in the first instance one of shortage of the coal and power on which the production of nitrogenous fertilisers depends. It is complicated by the fact that most of the unused capacity is in Germany and requires for its utilisation the allocation of priorities for the steel and engineering capacity needed to repair the plant.

Looking further ahead, it may be expected that changes in agricultural technique will lead to increased demand for fertilisers in other continents, and in particular in Asia and the Middle East. The Economic Commission for Asia and the Far East has recommended that studies of the short-term requirements of fertilisers should be completed, and the Regional Meeting for the Near and Middle East, held at Istanbul in November last under the auspices of the International Labour Organisation, recommended that priority should be given to such additional imports of fertilisers as might be required.

Long-term requirements of fertilisers and farm equipment will depend in large part on the extent to which countries in Asia, the Middle East and Latin America find it desirable and possible to change their technique of production. It would appear likely, however, that new capacity will be needed to meet their increased demands. It is of interest, therefore, to note that the production of nitrogenous fertilisers is one of the purposes of the Aswan Power Project in Egypt, and that production on a large scale is also contemplated in India in conjunction with power development.

One of the main items of equipment required is tractors, and great efforts are being made in a number of countries to

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1 President's Committee on Foreign Aid: European Recovery and American Aid (Washington, 1947), p. 47.
increase the output of tractors. Estimates of the requirements and output of Europe (excluding the U.S.S.R.), however, show a deficit of 26,300 units for the year 1947-48, though substantial surpluses should be available for export from Europe in subsequent years, provided the British output can be expanded at the rate which is planned. The outlook is therefore hopeful. It appears probable, however, that European agriculture will still be dependent on American production for the heavier types of tractors. Eastern European countries which are carrying through an extensive mechanisation of agriculture may therefore have to import a substantial proportion of the tractors and other modern farm machinery they require.

In the Middle East and Asia the problem of increasing agricultural output, urgent though it is, is inevitably primarily a long-term one. Changes in agricultural technique, involving the training of workers in new methods, call for improvements in rural education and an increase in the proportion of farmers who are literate; other opportunities for employment must be made available to agricultural workers no longer needed on the farms; in many countries extensive changes in land tenure practices may be essential, and these will have to be carefully studied. Improvements are often dependent on irrigation or drainage, and extensive works may have to be undertaken. Measures to deal with these problems form an essential element in any concerted policy to raise standards of living in these regions. The Preparatory Asian Regional Conference at New Delhi and the Regional Meeting for the Near and Middle East at Istanbul consequently stressed the need for studies and action in this field by the Food and Agriculture Organisation and by other organisations concerned.

In view of the world shortage of foodstuffs, measures to conserve existing foodstuffs are still called for. Most countries in Europe have maintained rationing; in the United Kingdom, it has become more severe. In India, the scope of rationing has been extended. New Zealand has retained rationing in order to make as much food as possible available for export to meet the needs of the United Kingdom. A number of countries have, however, found it possible to abandon rationing partly or wholly. In the U.S.S.R., in particular, rationing was abandoned.

in December 1947 simultaneously with price readjustments and a currency reform designed to eliminate inflationary demand.

The remaining deficits in Europe still call for large imports. The Committee of European Economic Co-operation estimated the net import requirements in 1947-48 of the participating countries, dependent overseas territories and Western Germany at about 20 million tons of grain, 950,000 tons of rice, 2,545,000 tons of oils and fats, 2,345,000 tons of sugar and 2,119,000 tons of meat, in addition to other items. According to an estimate of the International Emergency Food Council, Czechoslovakia, Finland and Poland had import requirements of 2.3 million tons of grain; but 2.4 million tons may be available from the U.S.S.R. and south-eastern Europe.

The Food and Agriculture Organisation has contributed in great measure to the efforts which are being made to meet the world food crisis and has done much to make the authorities concerned aware of the urgent necessity of meeting the emergency through co-ordinated action. It has drawn this question to the attention of the Economic and Social Council, which gave careful consideration to the problem at its recent session in New York. The Council recommended that Member States should give serious consideration to the continuing world food shortage and should take measures individually and in co-operation with the F.A.O., and, where appropriate, other international agencies and organisations of which they are members, to contribute to the solution of this problem. The Council also invited the specialised agencies concerned and the regional economic commissions of the United Nations, in consultation with the F.A.O., to study suitable measures to bring about an increase in food production by the elimination of supply shortages such as those of oil, coal, steel, electricity and chemicals, which directly or indirectly affect the production of fertilisers and agricultural machinery and the availability of transport. The world food crisis, while of fundamental importance itself, is part of an over-all shortage of vital commodities. As indicated above, one of the most basic factors in the economic situation today is the overriding need to increase the production of vital commodities in short supply, and the attention of the

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Conference is drawn to it as one of the major elements in the world situation which it may wish to underline in its discussion of this Report.

**European Industrial Requirements**

In view of the importance of recent developments concerning the economic reconstruction of Europe, they are dealt with in some detail in the following pages. They constitute, however, a vital element in the problem of restoring prosperity to the world as a whole, and the attention paid to them here in no wise suggests that the problems of other regions can be ignored.

The improvement of living standards in Europe requires not merely an increase in the supply of food, but the reconstruction and development of the highly complex industrial structure which was so severely disrupted by the war. Because of the magnitude of Europe's share in world trade, the reconstruction of European industry is almost equally important for the rest of the world.

Progress toward such reconstruction has been obstructed by a succession of "bottlenecks". As one has been overcome, emphasis has shifted to another. The main task at each stage has therefore been to locate the most urgent of these, and to concentrate constructive effort on overcoming it. In this task, international co-ordination of action is clearly desirable.

The main bottlenecks, apart from food and the fertilisers and tractors necessary for its production, have been fuel and power, steel and inland transport.

*Fuel and Power*

The output of fuel and energy ¹ in Europe (excluding the U.S.S.R.) in 1947 was 13 per cent. below that of 1937 ², that of hard coal being 16 per cent. below. Imports of coal from the United States have brought European hard coal supplies up to 91 per cent. of their pre-war figure ³, but this level was clearly

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¹ Coal, lignite, crude petroleum and hydro-electricity, the last three reduced to terms of coal by constant conversion factors.
inadequate to meet the requirements of reconstruction and the industrial needs of a fully-employed population.

The output of hydro-electric power has expanded greatly, but it remains inadequate to meet the greater demand for electricity, which is due to its increasing use in industry, in the home, in farms and for transport.

The effects of shortages of coal and power have been felt throughout industry in Europe. The supplies available have been carefully allocated, priority being given to the most essential purposes. As a result, many undertakings of a less essential nature have been unable to operate at all. But even essential industries suffered occasional shut-downs or restrictions in output—especially in France, Italy and the United Kingdom—owing to hold-ups in the distribution of coal or load-shedding by power stations drawn on beyond their capacity. The need to use electric power more evenly over longer periods of the day to avoid peak loads has led to an increase in shift work and in certain cases, as in 1947, to stoppages of a number of undertakings, or in certain areas, on specified days in each week. The shortage of coal and electricity has involved much discomfort and even severe hardship to householders. It has been one of the most obvious signs of the lowering of standards of living arising out of the war.

On the national plane, every effort is being made to increase coal production by attracting additional manpower to the industry, by improving conditions for miners and by developing the use of machinery. These efforts are expected to lead to a considerable increase in output in the next few years.

In order to co-ordinate action at the international level and collate up-to-date information, a Coal Committee has been set up under the Economic Commission for Europe. This Committee is concerned with the allocation of coal, the promotion of increased supplies of coal, economic and statistical research, and the study of the coal problem in relation to other economic problems. It will also consider long-term problems.¹ In doing so it will continue the valuable work done in a critical period by the European Coal Organisation, which ceased operations on 31 December 1947.

The preliminary European coal budget submitted to the Coal Committee, which will no doubt be subject to revision from

time to time, shows that, in spite of all efforts to increase production, Europe as a whole (excluding the U.S.S.R.) will need in 1948 to import 26 million tons, to which about 15 million tons must be added for export from Europe, including exports from the United Kingdom and France to dependent overseas territories and for bunkering purposes, and exports from Poland to the U.S.S.R. The net coal requirements, which must presumably come almost entirely from the United States, will, it is hoped, fall to nine million tons in 1949 and three million in 1950, and should then disappear. This programme assumes an increase in European coal output from 465 million tons in 1947 to 627 million in 1951 (as compared with 570 million in 1938) and calls for an increase in the output in western Germany from 74 million tons to 138 million, and for a substantial export of coal by Poland to Western Europe. The prerequisites of the programme are summed up as follows in a report submitted to the Industry and Materials Committee of the Economic Commission for Europe.

The biggest element is the planned expansion in western Germany, and the critical factors upon which this achievement depends are, in order of importance, first, an increase in output per man-shift; second, an expansion of mining labour force; third, an expansion of transport capacity. The requisite United Kingdom expansion depends on recruitment to the mines; reduction of absenteeism; re-equipment of the mines. The achievement of the French programme depends on the replacement of prisoner-of-war labour, and, second, the importation of equipment to modernise the mines. The fulfilment of the Polish programme depends on the importation of substantial quantities of mining machinery from America and on the expansion of ancillary industries, such as the steel industry.

Declining output per man-hour in coal mines has been a major factor in the coal situation. In Germany, as in certain other countries, the grant of special rations and housing facilities to miners has produced some results, but further direct assistance of this type is needed. The Coal Mines Committee of the International Labour Organisation devoted a great deal of attention to this matter, as well as to recruitment and related problems, at its Second Session, held in Geneva in April-May 1947.

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2 Ibid., p. 107.
Among the more significant recent developments concerning coal, mention may be made of an increase in Polish exports and of the gradual resumption of British exports. Polish exports to European countries (other than the U.S.S.R.) rose in 1947 to over ten million tons, and may, it is thought, increase in 1948 to 17 million tons, and by 1951 to 30 million tons. The United Kingdom has again begun to export coal, and expects to make small but gradually increasing quantities available to European countries. The coal mining industry in the United Kingdom was nationalised at the beginning of 1947, and its 1947 production target of 200 million tons was to all intents and purposes achieved.

Steel

Coal shortages have in turn led to steel shortages. Steel output in Europe (excluding the U.S.S.R.) in 1947 was expected to be about 35 million metric tons of ingots and castings or about 63 per cent. of the figure for 1937. The main decline has occurred in Germany, formerly the largest steel producer in Europe. Output in the Western Zone of Germany, where most of the steel mills are situated, amounted to only 3.6 million tons in 1947 as against 19.4 for pre-war Germany. For the rest of Europe, steel production amounts to 87 per cent. of the pre-war figure. In the United Kingdom, output in 1947 nearly reached the level of 1937; nevertheless, "steel more than anything else, apart from dollars, will be a limiting factor in 1948". In Europe as a whole a steel output equivalent to that of 1937 would not meet present-day needs, even though in 1937 large quantities of steel were being used for armaments. Much additional steel is now required for reconstruction, including housing, restoration of transport, rebuilding of factories and, above all, machinery and equipment. Though steel is subject in all European countries to the most careful allocation, the shortage remains a basic factor, retarding reconversion and hindering export programmes.

The various measures needed to remedy this shortage have been studied both by the Committee of European Economic

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Co-operation and by the Industry and Materials Committee of the Economic Commission for Europe. One of the main requirements is an increase in the supply of metallurgical coking coal. The Steel Subcommittee of the Industry and Materials Committee has recently recommended an increased export of coke from Germany to Belgium, France, Italy, Luxembourg, Norway and Sweden.

Inland Transport

Another of the physical bottlenecks in many parts of the world is inland transport. Hitherto, by efficient management and close co-operation, inland transport in Continental Europe, in spite of loss of equipment and lack of maintenance, has just about succeeded in keeping pace with the demand for its services arising out of mining, agriculture and industry, as well as from military and passenger traffic. At times, however, coal has accumulated at the pithead in the Ruhr owing to lack of transport facilities, delays have occurred in clearing ports, and the transport of less essential goods has been seriously retarded. Fortunately such situations have so far been only temporary. It must be recognised, however, that the intense strain under which transport is being operated is such that the slightest hitch has serious repercussions on productive output. Already, in the winter of 1946-47, potatoes much needed in France could not be moved from Czechoslovakia before the frost set in owing to lack of wagons, and similar situations directly affecting the lives of many may arise at any moment. In the United Kingdom it has required constant watchfulness to prevent the shortage of wagons from holding up coal output, and coal has at times accumulated at the pithead for lack of transport.

The task of bringing about the co-operation required to ensure the best use of available transport equipment was carried out mainly by the European Central Inland Transport Organisation, which developed methods for ensuring the multilateral exchange of wagons, the best use of rolling stock, regardless of ownership, appropriate allocation of traffic between rail, inland waterway and road, and the passage of goods across Germany and Austria. The work of this Organisation made a valuable contribution to the restoration of Europe. Fortunately, this work has not been seriously interrupted by the liquidation of the Organisation, as it is now being carried on under the auspices of the Inland Transport Committee of the Economic Commission for Europe.
To secure the full use of existing rolling stock, action is required, particularly in Germany, to ensure more rapid and lasting repairs. The shortage of railway wagons is liable to become critical in 1948, and it is estimated that imports from outside Europe of about 100,000 wagons are essential if a crisis is to be averted. After 1948, if adequate allocations of steel and timber can be secured, the European countries seem likely to be able to produce the transport equipment which they require.

Coal, steel and inland transport are not the only shortages which hinder reconstruction in Europe. Timber—required especially for housing, pitprops and railway sleepers—is another; and increased supplies of timber are dependent on the provision of logging and sawmill equipment. Shortages of ball-bearings hold up machinery, and special measures are required to secure enough silica bricks for steel furnaces. One of the most useful services rendered by the Economic Commission for Europe and its subcommittees has been its work in bringing these bottlenecks to light in time and suggesting means for removing them.

**Planning for Economic Development**

The preceding passages have drawn attention to some of the principal obstacles to the attainment of the aims embodied in the Declaration of Philadelphia. Each of these obstacles constitutes a challenge to Governments, and it is encouraging to note that Governments have in fact recognised their responsibility in this connection and have taken action designed to overcome such obstacles. This state of affairs contrasts favourably with the situation during the great depression of the nineteen-thirties, when most Governments, in accordance with the *laisser-faire* views widely held at the time, played a relatively passive role. The conception of the responsibility of the State to promote full employment and rising standards of living, which found expression in the Declaration of Philadelphia and in the Charter of the United Nations, is increasingly reflected in current policy and planning.

Though the major responsibility in each country falls on the Government directly concerned, it is now widely recognised that present difficulties cannot be solved on the basis of unco-

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ordinated national action. Each country needs the assistance or co-operation of others, and the national plans of each can only be fully effective if they fit in with the world situation and with the plans of others. One of the most striking indications of the increasing recognition of these facts is to be found in the number of international bodies now engaged in collating relevant information and in making proposals designed to overcome the obstacles to common progress.

It is clearly not possible here to summarise all the action taken by individual Governments and by international bodies to develop industrial production, but some of the salient features of these activities may be briefly noted.¹

In Western Europe, each country has been making great efforts to achieve the increases in production and trade essential to its economic recovery. In the United Kingdom, as has been noted, special emphasis has been placed on coal production and on increasing exports. In France, in spite of great difficulties, due in part to bad weather in early 1947, substantial progress has been made towards the fulfilment of the “Monnet plan” ², to which reference was made in last year's Report.³

The outstanding development of recent months, however, has been the framing of international programmes to supplement national action.

In March 1947 the United Nations Economic and Social Council set up a regional Economic Commission for Europe, to deal specifically with economic reconstruction and related problems in European countries. The Commission, which met for the first time in May 1947, has absorbed certain functions of the various European emergency economic organisations which operated during and after the Second World War. It has set up working groups and subcommittees to consider inland transport problems, coal allocation, and material and manpower shortages, in close co-operation with the International Labour Organisation and the other specialised agencies concerned.

¹ For more complete information on national programmes in a number of countries reference may be made to United Nations, Département of Economic Affairs: Economic Development in Selected Countries, Plans, Programmes and Agencies (Lake Success, 1948).


Following the statement of the United States Secretary of State, Mr. Marshall, at Harvard on 5 June 1947, estimates were made by the various European countries concerned of their import needs for the four-year period 1948-1951. There had, of course, been earlier attempts to assess the requirements of Europe, notably the work of the Allied Post-War Requirements Bureau during the war. But these first attempts were largely guess work, as it was impossible to foresee how reconstruction would develop. The reports prepared during recent months contain a wealth of statistical material on Western Europe's essential requirements. In order to determine these, it was necessary to set certain targets and to consider how far each country could meet its own requirements if certain specific assistance were provided from abroad. The extent to which such assistance could economically be obtained from within the group of countries concerned was examined, and a programme defining the assistance required from outside the area was drawn up. This external assistance would have to come mainly from the United States.

Some indication of the extent of European requirements of food and coal as revealed in these reports, and in a report covering a wider range of countries prepared for the United Nations Economic Commission for Europe, has been given above. In addition to these commodities much capital equipment will need to be imported.

While the sixteen countries concerned with the European Recovery Plan have agreed to continue to work together, five of them, Belgium, France, Luxembourg, the Netherlands and the United Kingdom, in a Treaty signed at Brussels on 17 March 1948, have gone a step further. "Convinced of the close community of their interests and of the necessity of uniting in order

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1 Cf. Committee of European Economic Co-operation, op. cit.

2 The ability of the United States to make available the food, materials and equipment needed for European recovery has been the subject of detailed and comprehensive investigations, the main results of which have been published in the following reports: U.S. Department of the Interior: National Resources and Foreign Aid (Washington, Oct. 1947); European Recovery and American Aid: A Report by the President's Committee on Foreign Aid (Washington, Nov. 1947); and U.S. Congress: 81st Congress, 2nd Session, Senate: European Recovery Programme, Hearings before the Committee on Foreign Relations.

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to promote the economic recovery of Europe”, they “will so organise and co-ordinate their economic activities as to produce the best possible results, by the elimination of conflict in their economic policies, co-ordination of production and development of commercial exchanges.” The Treaty makes it clear that this co-operation “shall not involve any duplication of or prejudice to the work of other economic organisations in which the High Contracting Parties are or may be represented, but shall, on the contrary, assist the work of those organisations”. The signatory States “will make every effort in common, both by direct consultation and in specialised agencies, to promote the attainment of a higher standard of living by their peoples and to develop on corresponding lines the social and other related services of their countries”. They “will consult with the object of achieving the earliest possible application of the recommendations of immediate practical interest relating to social matters, adopted with their approval in the specialised agencies. They will endeavour to conclude as soon as possible conventions with others in the sphere of social security”. A consultative council is to be set up, “which shall be so organised as to be able to exercise its functions continuously”. Other States may be invited to become parties to the Treaty. It is of particular interest that a Treaty providing for collective self-defence should devote its first articles to measures for the promotion of the common economic and social objectives of the signatory States.

Two other long-term proposals for European economic co-operation and development are also worthy of note because of the breadth of their vision and because of their potentialities. The first is a plan for a European electricity system, involving the linking of thermal plants based on low-grade fuel in Czechoslovakia and Poland with hydro-electric plants to be operated in Austria, Italy and Switzerland. The other is a plan for the development of a European network of motor roads, which is to be examined by a working party of the Inland Transport Committee of the Economic Commission for Europe. It is of interest to recall that an earlier proposal for such a network of motor roads, put forward in 1930, in part for the purpose of relieving the unemployment existing at the time, was warmly supported by Albert Thomas.

Plans for agricultural and industrial development are in operation in all the countries of Eastern Europe, and are reported to be making satisfactory progress. In Bulgaria, a two-year plan
was adopted covering the years 1947 and 1948. Its objectives include, *inter alia*, the following increases in 1948 over 1946: manufacturing industry, 67 per cent.; electricity, 35 per cent.; and coal, 40 per cent. Considerable capital development is planned.\(^1\) In Czechoslovakia, the goal set for the first year of the two-year plan for 1947-48 was reached, the index of output achieved (food excluded) being 100.9 per cent. of the objective. This implies that output, which in the autumn of 1946 had been about 80 per cent. of that of 1937, had risen by about 25 per cent. to pre-war level. The percentage of fulfilment of the plan by major groups of industries ranged from 89 to 113 per cent. of the targets set.\(^2\) Work has started on the preparation of a five-year plan to begin in 1949.

Hungary initiated a three-year plan on 1 August 1947. One of the features of the plan is that each private undertaking above a certain size is required to submit each month reports giving its production plan, the extent to which its capacity is being used, the raw materials and fuel required, wages and employment, proposed investment and plant renewal, etc. A substantial part of industry, especially heavy industry, is under State control. Output has increased substantially. By September 1947 the manufacturing industry had reached 93 per cent. of the 1937-38 level. Since the introduction of a new currency in 1946, the output of coal has gone up 40 per cent., iron 59 per cent. and steel 63 per cent.\(^3\)

Poland is in the middle of its three-year plan for 1947-1949. So far, except in agriculture, all targets have been reached or surpassed. Industrial output has passed the pre-war level; at the same time, it must be borne in mind that the pre-war level relates to the former boundaries of Poland, and that the change in frontiers has increased industrial capacity. The agreement between the U.S.S.R. and Poland signed in January 1948 will have an important bearing on the development of the plan and in general on the economic and industrial life of Poland.

In Rumania, a general programme for economic and financial reconstruction was adopted by the Parliament in June 1947.

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\(^1\) Ministère de L'Information et des Arts: *Le plan économique biennal* (Sofia, 1947).


\(^3\) Magyar Közlöny, 8 Jan. 1948, and Statement of the Minister of Finance to the National Assembly, Közgazdaság, 18 Jan. 1948.
The programme consists of an indication of the targets which should be aimed at and some of the methods to be used, rather than a comprehensive plan. Agrarian reform, introduced in 1945, is to be speeded up and assistance given to agriculture. Targets are set for the production of oil, coal, iron and steel.

In the U.S.S.R., industrial output rose in the fourth quarter of 1947 to the level of 1940, despite the destruction suffered by Russian industry in the course of the war and the dislocation caused by the removal of plants from areas then threatened by the enemy.¹

Yugoslavia initiated in April 1947 a five-year plan covering the period 1947-1951. The targets to be achieved by the end of 1951 are set out in detail, though intermediate annual targets have not been announced. The plan aims at a considerable industrial development under centralised control. National income (computed at constant prices) is to be approximately doubled. Industrial output is to be increased almost five-fold compared to 1939, so that the share of industry in the national income would increase from about 20 per cent. in 1939 to 50 per cent. in 1951. Coal production is to be raised from 6 million tons in 1939 to 16.5 million tons in 1951, and considerable rates of increase, though the absolute figures are not large, are planned for iron ore, iron and steel.

In Asia also there has been much discussion of economic plans. There is considerable advocacy in India of comprehensive economic planning. One of the early actions of the Pakistan Government was the appointment of a Central Board to coordinate development plans. An Economic Planning Board was also set up in Burma, in October 1947, superseding a National Planning Board set up in May.

The Preparatory Asian Regional Conference of the International Labour Organisation adopted a detailed resolution concerning the economic policies necessary for the attainment in Asia of the social objectives of the International Labour Organisation, in which general principles for governing the expansion of agricultural production and industrial development were laid down. One of the reports submitted to that Conference

¹ Detailed statistics showing the degree of fulfilment of the fourth Five-Year Plan of the U.S.S.R. in terms of percentages (not absolute figures) are given in United Nations: Monthly Bulletin of Statistics, Feb. 1948.
THE ECONOMIC BACKGROUND

contained a detailed analysis of the characteristics of Asian economies and of the problems involved in raising productivity and income.¹

The United Nations Economic Commission for Asia and the Far East, which met in Shanghai in June and in Baguio in November 1947, took steps to complete earlier studies of the short-term requirements of the area and to suggest measures designed to ensure that such requirements are met.²

In Latin America also, programmes of economic development have been prepared by many countries.³ The keen interest shown in this subject at the Mexico City Conference of the American States Members of the International Labour Organisation will be recalled; and the Office hopes to include information on more recent developments in one of the reports to be submitted to the Fourth Conference of these States, to be held in the near future. Certain of the problems involved in economic development will also be considered by the Economic Commission for Latin America which has recently been established by the United Nations Economic and Social Council. Among these will no doubt figure the possible impact on Latin American economies of the European Recovery Programme, as a result of which Latin American dollar receipts may be augmented by European purchases of food and raw materials, while at the same time there will be increased European and Latin American demands for steel and capital equipment.

Throughout all the discussions on economic plans, one topic recurs: the problem of obtaining capital equipment. The bottlenecks in coal and steel limit the production of such equipment in Europe; and even in the United States, though output is 43 per cent. above the 1937 figure, the supply of steel falls short of the current demand for it. In many countries, the construction of particular plants may be held up for months or even years by

³ For accounts of such programmes reference may be made to H. FINER: The Chilean Development Corporation: A Study in National Planning to Raise Living Standards (Montreal, I.L.O., 1947); and to UNITED NATIONS: Economic Development in Selected Countries; Plans, Programmes and Agencies (Lake Success, 1948).
delays in the delivery of particular machines or equipment; and the operation of existing plants and of transport facilities is often severely handicapped by lack of replacement parts and other essentials for proper maintenance.¹

The special difficulties encountered by the economically underdeveloped countries because of their lack of adequate equipment were considered by the Metal Trades Committee of the International Labour Organisation at its Second Session, at Stockholm in September 1947. The Committee invited the Governing Body of the International Labour Office to support the efforts of the underdeveloped countries to obtain the necessary equipment and the financial and technical assistance which they need for the development of their capacity for production and employment at a high level, by arranging for this problem to be considered by the International Labour Conference and by drawing the attention of the competent organs of the United Nations to the importance of providing speedy and effective assistance to the economically underdeveloped countries, in the interests of promoting a high level of production and employment in these countries and throughout the world. In accordance with a decision of the Governing Body, the attention of the Conference is drawn to this matter, and it has also been brought to the notice of the United Nations. The Iron and Steel Committee, at its meeting at Stockholm in August 1947, also dealt with the contribution which exports of capital equipment to the less developed areas may make to the maintenance of employment in more highly industrialised areas. The resolution adopted by the Committee notes with keen interest a proposal, submitted to

¹ It is perhaps at this stage, two or three years after the end of the war, that the cumulative effects of the lack of maintenance of capital equipment are making themselves most severely felt. For eight or nine years, for instance, the normal rate of replacement of equipment such as rails has not been maintained. Rolling stock has not been replaced. Machinery in factories has been used long beyond its normal life. The result is evident in a great increase in minor and major stoppages and breakdowns, a decline in the pace at which machinery can be operated or trains run, an all-round loss in efficiency. In some cases, the difficulty of replacing items small in themselves, such as ball-bearings, may stop power stations or hold up whole assembly lines. In other cases, attempts to overcome the lack of the usual spare parts has forced undertakings into a more wasteful use of labour, such as is required in making spare parts normally obtained from the manufacturer, or in repairing machines or wagons which would in ordinary circumstances be scrapped. It is not too much to say that in many countries production is seriously retarded, efficiency lowered, and in some cases the lives and limbs of workers endangered by continued lack of replacement and maintenance.
the United Nations Economic and Employment Commission, for the promotion of an auxiliary stream of investment from the highly industrialised countries to less developed areas (in addition to a regular long-term development programme), with a view to utilising the excess capacity during depression of the industrialised areas and thus promoting higher levels of activity and employment in those areas and accelerating the development of the less developed areas. In accordance with a decision of the Governing Body, the attention of the Conference is drawn to this question, and the Director-General has also conveyed to the United Nations the assurance that the Governing Body is ready to co-operate in the investigation of the problems involved in, and possible measures to give effect to, the proposal. Delegates will no doubt wish to refer to this general problem in their discussion of the present Report.

Certain aspects of this problem as it arises in the Near and Middle East were considered in a report ¹ submitted to the Regional Meeting for the Near and Middle East held at Istanbul in November last, and were touched on in the discussions and resolutions of that Conference. The agricultural problems involved in development were discussed more fully at the Regional Conference of the Food and Agriculture Organisation at Cairo in February 1948. The establishment of an Economic Commission for the Middle East is at present under consideration by the United Nations Economic and Social Council.

Problems of economic development have also been considered in some detail by the Sub-Commission on Economic Development of the United Nations Economic and Employment Commission. The Sub-Commission takes the view that economic development has to be thought of largely in terms of industrialisation, and recommends that deliberate steps should be taken to avoid some of the undesirable economic and social phenomena which have accompanied this process in the past, and to create industrial conditions that result in the maintenance of the dignity of human labour, an equitable distribution of the product of industry, a raising of real wages, and the promotion of social welfare. In this connection, the Sub-Commission deems it desirable that trade unions should be called upon to play their

¹ Regional Meeting for the Near and Middle East, Istanbul 1947: Report of the Director-General (Geneva, I.L.O., 1947), Chapter II.
appropriate role in the solution of the problems of industrialisation.

Certain common features are noticeable in the various national and international plans for reconstruction and development to which reference has been made above. Since there is in each case a limit to the resources available for the purpose of the plan, there must always be some schedule of priorities. As a basis for the construction of such a schedule, the framers of the plan find it necessary as a rule to begin by defining certain immediate and longer-term objectives, which may include both elements in current living standards (such as levels of food consumption) and such characteristics of economic structure or balance as increased industrialisation, full employment and an equilibrium in international payments. The next step is usually to survey the existing position, including levels of consumption, stocks of capital equipment, raw materials and finished products, the productive capacity of industry and agriculture, and the expected levels of exports and other sources of foreign currencies. With these data in hand, together with information as to the various modifications which it may be feasible to make in any of the basic factors, plans are drafted, setting targets for different lines of production and allocating accordingly the resources of production capacity, materials and manpower that are available. Since no forecast can be one hundred per cent. accurate, and since the delayed or incomplete fulfilment of any sector of the plan will affect all other sectors, provision must also be made for the adjustment from time to time of both targets and allocations.

At each stage in this planning process (in which of course there are as many variations of detail as there are plans in operation) there is much room for the exercise of judgment in making both assessments and decisions. There is consequently

1 UNITED NATIONS ECONOMIC AND EMPLOYMENT COMMISSION, Sub-Commission on Economic Development, First Session: Report (Doc. E/CN.1/47, dated 18 December 1947), pp. 12-13. The report draws particular attention to the following considerations which, in the opinion of the Sub-Commission, should guide economic development: the need for a diversified economy; the need for establishing key industries; the need for diversification of technology; the need for co-ordinating economic development with the stimulation and strengthening of the incentive behind economic effort; the need for viewing economic development in terms of the country as a whole; the need for international economic co-operation in progressive economic development; and the need for due attention to the development of agriculture, particularly the production of food.
both a need and an opportunity for the mobilisation of all available information and expert assistance, national and international, and for the fullest possible consultation of all sections of the community whose interests are involved. It will be recalled in this connection that the Regional Meeting for the Near and Middle East, in its resolution concerning the economic policies designed to further in that region the social objectives of the International Labour Organisation, called for a plan fixing objectives for nutrition, for the production of consumer goods other than foodstuffs, for development works and for industrial expansion over a given period, and drew attention to the expert and other assistance which might be secured from the various international organisations. The United Nations, the Food and Agriculture Organisation, the United Nations Educational, Scientific and Cultural Organisation, the International Bank for Reconstruction and Development and the International Labour Organisation have already furnished assistance in such matters to a number of countries, and it will be one of the most important functions of these organisations and of the future International Trade Organisation to expand their activities in this field, both as a means of helping individual countries and groups of countries and as a means of contributing to the development of an integrated and expanding world economy.

INTERNATIONAL TRADE AND PAYMENTS

The success of national plans for economic development will depend to a quite considerable degree on the reconstruction of world trade. It is therefore encouraging to note that the volume of world trade, which in 1946 reached 83 per cent. of the 1938 level, rose in the first half of 1947 to 99 per cent.¹ of that level. The pattern of world trade was radically different, however, from that of the pre-war period, and the lack of balance in international payments constitutes a continuing threat not merely to international trade but to production and living standards in many countries.

The Balance of Payments Problem

The wartime deterioration in the productive capacity of those countries in Europe and the Far East whose economies were devastated or disrupted by the war has reduced their receipts from exports and services, and the loss of the external assets used to finance their imports of war materials has sharply reduced their income from investments. As a result, their external receipts are insufficient to cover the cost of even their most urgent requirements. Because a large part of these requirements can be supplied only by "dollar countries", the lack of balance in international payments takes the form of a "dollar shortage".

The extent of the disparity in current resources between different groups of countries is striking. While agricultural output in the world as a whole for 1947-48 is estimated to be 7 per cent. below the pre-war level, in the United States it is 30 per cent. above. Steel output in the United States in the third quarter of 1947 was 47 per cent. above the level of 1937, while in the rest of the world (excluding the U.S.S.R.) it was 35 per cent. below the level of that year. In the case of fuel and energy, the share of the world total produced by the United States and Canada has risen from 45.6 per cent. in 1937 to 54.5 per cent. in 1947, while that of Europe has fallen from 46.4 to 29.2 per cent. The world tonnage of merchant shipping in service has fallen from 68.5 million tons in 1939 to 66 million tons in 1947, but the United States share has risen from 11.5 to 29.5 million tons.\footnote{The figures quoted are from United Nations: Economic Report, op. cit., pp. 8, 10 and 224-225. In the case of merchant shipping, it is worth noting that in addition to 29.5 million tons in service, the United States in 1947 had 11 million tons in reserve.}

This lack of balance in current resources has been accentuated by the abnormally high level of the import requirements of many countries, due to their needs for rehabilitation, and its effects on the international balance of payments have been intensified by rising prices in the United States, Canada and other supplying countries, and by currency and exchange uncertainties in the deficit countries.

The present lack of balance in world trade, and the consequent disequilibrium in international payments, must be expected to continue so long as the present sharp contrast persists between the capacity of the Western hemisphere to
produce goods for export and the urgent need of Europe and the Far East for imports for reconstruction. "While this contrast persists, it would be a mistake to force an early shift in the direction of world trade. If imports of Europe and the Far East had to be further limited, this would deprive them of goods essential for their reconstruction. The problem, rather, is to finance the flow of goods to these areas to enable them to restore production and exports and gradually to shift the direction of trade to the pattern suitable to the period after the transition."  

Grants, Credits and Other Approaches to the Problem

During the period immediately following the war, a great contribution to this task was made by U.N.R.R.A., the operations of which have now come to an end. Further important contributions were made by the United States, Canadian and other loans, referred to in earlier reports to the International Labour Conference. In the course of the year covered by the present Report there have been important further developments. The International Monetary Fund began operations in March 1947 and by the end of January 1948 had made available 472.7 million dollars and £1,500,000. The International Bank for Reconstruction and Development has lent 250 million dollars to France, 195 million to the Netherlands, 40 million to Denmark and 12 million to Luxembourg, and has under consideration loan applications from a number of other countries. In May 1947 the United States Congress approved a programme of aid to Greece and Turkey for which it later appropriated 300 million and 100 million dollars respectively. There has been a consider-

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3 International Monetary Fund: International Financial Statistics, Feb. 1948, p. 51. Of the total of 472.7 million dollars, 240 million were sold for sterling and 125 million for French francs.
able increase in the number of bilateral payments agreements between European countries, the number so far entered into being over 120; and the countries participating in the Committee of European Economic Co-operation have made arrangements for multilateral compensation of balances of payments among Belgium, France, Luxembourg, the Netherlands and Italy through the Bank for International Settlements. In Eastern Europe agreements were entered into between the U.S.S.R. and certain neighbouring countries to provide the latter with credits and with wheat and some other requirements in exchange for future deliveries of goods.

By the middle of 1947, however, it had become evident that the assistance so far made available would fall far short of what was needed to tide over the period of reconstruction and of transition to a new equilibrium in world trade. In June, the United States Secretary of State, Mr. Marshall, emphasising that his country’s policy was directed “not against any country or doctrine, but against hunger, poverty, desperation and chaos”, called for agreement among the countries of Europe as to their requirements and the action they could themselves take, as a basis for further United States assistance. The response was immediate. Sixteen European countries met on 12 July and set up a Committee of European Economic Co-operation to define (a) the extent to which production in certain essential industries could be developed by the efforts of each country individually and by inter-European exchanges of available resources; and (b) their requirements from outside economic help. A detailed report, submitted in September, concluded that, over the period 1948-1951, the annual deficit in the balance of payments of the participating countries, their dependent territories and Western Germany with the American Continent would range from 8,035 million to 3,400 million dollars, and would total 22,435 million.

The seriousness of the problem is illustrated by certain of the conclusions reached in the British Government’s Economic Survey for 1948 and in a recent French official report. “If there is no certainty of aid by the middle of this year”, the Survey

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1 Denmark, Norway, Sweden and the United Kingdom have signified their adherence in principle to this compensation agreement as occasional members.
states, "the resulting inevitable cuts in imports would affect raw materials as well as food, and so cause serious unemployment." It continues: "If heavy reductions of raw material imports had to be imposed, as would be likely in the absence of such aid, and allocated in such a way as to maintain our exports (which in those circumstances would become more than ever vital to our existence), the reduction in supplies of many manufactures to the home market would be very great, and standards of consumption in 1948 would certainly be very much lower than those of any of the war years." Similarly, according to the French report, the whole life of France would be affected if the essential flow of supplies from the dollar zone should not be re-established within a short time. "Unemployment would develop, rendering vain the attempts made to ensure social peace. Exports would be compromised and the effect of devaluation destroyed, while at the same time the two inseparable tasks of stabilisation and modernisation would be rendered impossible. Finally, the result would certainly be a considerable delay in the French contribution to the recovery of Europe." The consequences in the other countries concerned, if adequate aid should not become available in time, would be no less serious.

It is therefore a fact of the greatest importance, both for the immediate economic and social future of the countries concerned, and for the development of the world economy as a whole, that the United States has continued its interim aid to certain countries and that the European Recovery Programme has become a practical reality by the signature by the President of the United States on 3 April of the "Foreign Assistance Act of 1948" which allocates 5,300 million dollars for the first year of operation.

China also remains in dire need of assistance. U.N.R.R.A. officially ceased to function as regards the Far East on 31 December 1947, leaving a small staff to finish outstanding matters

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1 Economic Survey for 1948, op. cit., p. 3.
2 Idem, p. 53.
3 Rapport sur les efforts de relèvement accomplis par la France depuis la réunion du Comité de coopération économique européenne de juillet-septembre 1947, op. cit., section 38.
4 By Feb. 1948 sums aggregating 522 million dollars had been tentatively earmarked for France, Italy and Austria under the interim aid programme. (United States, Department of State Bulletin, 1 Feb. 1948, p. 136.)
and to transfer to the Chinese Government the remaining U.N.R.R.A. shipments. The constructive programmes devised under U.N.R.R.A. auspices for the establishment of workshops to service farm equipment, the development of fisheries, and the manufacture of pharmaceutical products will be carried on under a newly established Commission on Rehabilitation Affairs and a Board of Trustees for Rehabilitation Affairs. It may thus be hoped that the constructive work begun by the Chinese Government and by U.N.R.R.A. will not be interrupted and that further progress will be made. In addition, China and the United States concluded in October 1947 an agreement on post-U.N.R.R.A. aid, by which the United States may continue to provide relief assistance to the Chinese people.\(^1\) The United States Congress has appropriated 18 million dollars for interim aid and in the Foreign Assistance Act of 1948 has appropriated a further 338 million for economic aid.

*The International Trade Organisation*

The long-term objective of the various programmes of international assistance is the restoration of productive capacity and of a high level of balanced international trade. During the past year the balance of payments difficulties referred to above have prevented any considerable progress toward the second part of this objective. Though there has been some expansion in the volume of world trade, many countries have been unable to expand at all substantially their production of exports and have had to place severe restrictions on their imports in order to keep within the limits of their resources of foreign exchange. In many cases efforts to expand exports in order to pay for essential imports have had to be pursued at the cost of depriving local consumers of much needed goods and services. This policy continues; in the United Kingdom, for example, imports of food and feeding-stuffs in the first half of 1948 are to be kept down, as in 1947, to 75 per cent. of the level of 1938. The energy value of food consumed per head is expected to fall, as a result, from a daily total of 3,000 calories before the war and 2,880 in 1947, to 2,681 in the first half of 1948, and standards of consumption as a whole (even assuming aid to be available from the United States) are expected to be appreciably below those of

\(^1\) *China Weekly Review*, 15 Nov. 1947, p. 357.
1947. Even in Canada, which has maintained a global export surplus in merchandise trade, the inability to convert sterling receipts freely into the dollars required to purchase essential imports made it necessary in November 1947 to introduce severe restrictions on a wide range of imports.

Never perhaps was the necessity and value of multilateral trade more forcibly demonstrated. That this fact is widely realised is evident from the energy and persistence with which the international negotiations for a General Agreement on Tariffs and Trade and for the establishment of an International Trade Organisation have been carried forward. From April to October 1947, in one of the longest and largest of international conferences, representatives of 23 countries, accounting for 65-70 per cent. of world trade, met at Geneva and worked out over a hundred bilateral trade agreements, together with the General Agreement on Tariffs and Trade, the general clauses of which had, by 15 January 1948, provisionally come into force as between nine countries. At the same time a Draft Charter for an International Trade Organisation was drawn up for submission to the United Nations Conference on Trade and Employment which opened in Havana in November. The Conference ended on 24 March with the signature of the Final Act containing the completed text of the Charter by delegates of 53 countries.

When ratified by the Governments and parliaments concerned, this Charter will establish a new code for international economic relations, with a permanent body, the International Trade Organisation, to administer it. The code is designed to strike a balance between the general objective of removing trade barriers and the need of economically under-developed countries to be able to have some recourse to quotas and other quantitative restrictions for the protection of new and infant industries against competition from the older industrialised countries. Restrictions of this type are permitted, subject to specified limits and conditions; further restrictions may be imposed only with the prior approval of the Organisation. The

2 For the text of this Agreement see United Nations: General Agreement on Tariffs and Trade (Lake Success, 1947), 4 vols.
Charter also takes account of the balance of payments difficulties referred to earlier in this chapter by permitting countries experiencing such difficulties to have recourse during the post-war transition period to bilateral and other arrangements which run counter to the long-term policy of the Charter; but once the transition period is over, import quotas and other quantitative restrictions will require the prior approval of the Organisation. A compromise solution was also reached on the difficult problem of export subsidies; these are recognised in general as a barrier to trade, but are permitted under certain conditions in the case of agricultural commodities. The Organisation will also have important functions in the negotiation and administration of inter-governmental commodity agreements.

Delegates to the International Labour Conference will note with special interest the emphasis placed in the Charter on social objectives, and in particular on the relation of trade to employment and living standards. The Charter contains a chapter on employment and economic activity which reads in part as follows¹:

The Members recognise that the avoidance of unemployment or underemployment, through the achievement and maintenance in each country of useful employment opportunities for those able and willing to work and of a large and steadily growing volume of production and effective demand for goods and services, is not of domestic concern alone, but is also a necessary condition for the achievement of the general purpose and the objectives set forth in Article 1, including the expansion of international trade, and thus for the well-being of all other countries.

Furthermore,

Each Member shall take action designed to achieve and maintain full and productive employment and large and steadily growing demand within its own territory through measures appropriate to its political, economic and social institutions.

The Members and the Organisation will participate in arrangements made or sponsored by the United Nations Economic and Social Council, including arrangements with appropriate intergovernmental organisations, for the collection, analysis and exchange of information on domestic employment problems, trends and policies, for studies concerning international aspects of population and employment problems, and for consultation

¹ Final Act and Related Documents, op. cit., Articles 2 and 3.
with a view to concerted action to promote employment and economic activity. Moreover, the Organisation will, if it considers that the urgency of the situation so requires, initiate consultations among Members with a view to their taking appropriate measures against the international spread of a decline in employment, production or demand.

There is a special Article on fair labour standards which reads as follows:

1. The Members recognise that measures relating to employment must take fully into account the rights of workers under intergovernmental declarations, conventions and agreements. They recognise that all countries have a common interest in the achievement and maintenance of fair labour standards related to productivity, and thus in the improvement of wages and working conditions as productivity may permit. The Members recognise that unfair labour conditions, particularly in production for export, create difficulties in international trade, and, accordingly, each Member shall take whatever action may be appropriate and feasible to eliminate such conditions within its territory.

2. Members which are also members of the International Labour Organisation shall co-operate with that Organisation in giving effect to this undertaking.

3. In all matters relating to labour standards that may be referred to the Organisation in accordance with the provisions of Articles 94 and 95, it shall consult and co-operate with the International Labour Organisation.¹

The negotiations at Geneva and Havana for the conclusion of trade agreements and the establishment of the International Trade Organisation have been accompanied by efforts for closer economic relations among certain groups of States. A common customs tariff has come into force for goods entering the Belgium-Luxembourg Customs Union and the Netherlands, and tariffs between these countries have been waived for each other's products. Port charges in Antwerp and Rotterdam have been unified. Discussions have been initiated for similar arrangements between Denmark, Norway and Sweden, and between Greece and Turkey. Discussions on co-operation in industrial planning

¹ Article 94, which forms part of the chapter of the Charter concerned with the settlement of differences, deals with the procedure to be followed in the case of the reference of a matter to the Executive Board of the International Trade Organisation, and provides, inter alia, that “The Executive Board may, in the course of its investigation, consult with such Members or intergovernmental organisations upon such matters within the scope of this Charter as it deems appropriate.” Article 95 deals with the procedure to be followed in the case of a reference to the I.T.O. Conference.
have taken place between Czechoslovakia and Poland. France and Italy have agreed in principle to work towards a customs union. In addition, fourteen of the countries represented on the Committee of European Economic Co-operation have been meeting to consider the possibilities of a customs union covering all or some of them. Finally, as has already been noted, the United Kingdom, France, Belgium, Luxembourg and the Netherlands have undertaken, in their fifty-year Treaty signed in Brussels in March 1948, to "so organise and co-ordinate their economic activities as to produce the best possible results, by the elimination of conflict in their economic policies, co-ordination of production and development of commercial exchanges".
CHAPTER II

TRENDS IN SOCIAL POLICY

EMPLOYMENT ORGANISATION

Serious manpower problems continue to confront most countries of the world. All countries lack a sufficient number of skilled workers; most countries need more trained workers for their basic industries; and some countries have an over-all shortage of labour for both industry and agriculture. On the other hand, the manpower resources of other countries are being wasted through unemployment or underemployment. In a great many countries manpower surpluses exist alongside of manpower shortages. To some extent, economic difficulties and political uncertainties have combined to complicate the employment plans of a good many countries. While on the whole there has been little fundamental change in national policies, employment questions have had to be dealt with against a more complex general background and within a more difficult economic framework.

If any single problem may be said to dominate the world employment picture today, it is that of manpower redistribution. It is a problem in industrially developed countries as well as in those now in process of industrialisation, and in countries of labour shortage as well as in those suffering from unemployment and underemployment. Last year, attention was drawn to the same problem: to the urgent need for redistributing workers among the different branches of economic activity, among the different industry groups, among the different industries, occupations and skill categories, among the different areas and among the different regions and countries of the world.\footnote{International Labour Conference, 30th Session, \textit{op. cit.}, p. 44.} During the year under review, it has become more
urgent to redistribute manpower along the lines indicated by national and international efforts to achieve a stable world economy with rising living standards.

Today, the most urgent features of the problem lie primarily within the field of application of policy. Principles have been formulated to govern manpower utilisation and distribution. Measures based on these principles have been accepted in countries in many different parts of the world. What seems now to be needed, above all, is a further development of the practical ways and means of carrying out these measures in conformity with current national requirements and with respect for the rights of the workers. Greater attention is now being given to a basic part of employment policy which has been somewhat neglected in recent years—the organisation of employment at the local level. It is more fully realised that if manpower problems are not approached and dealt with effectively at this level, it is idle to expect significant results from the application of general policies recommended nationally or internationally.

The solution of employment questions has been sought not only within the different countries but also through co-operative international effort. During the year, there has been a considerable development of international co-operation among groups of countries concerned with common problems of employment organisation. These initiatives hold great promise for the future.

**General Employment Situation**

Over large parts of the world, employment has been maintained at a very high level and unemployment has remained very low throughout the past year.¹ In many countries of Europe the labour force in employment has reached a record peak and there is an over-all shortage of labour. For example, it has been estimated that western European countries require approximately 400,000 additional workers during 1948. There is little or no unemployment in most of Europe (with the important exceptions noted below) and in individual cases the duration of unemployment tends to be short, except for a small

¹ Statistics on employment and unemployment are published regularly in the *International Labour Review*. 
percentage who make up the hard core of unemployment, and for the special pockets of unemployment, which have arisen in particular areas, industries or occupations. In Canada and the United States, high levels of employment have persisted and shortages of particular kinds of workers have developed in some areas and industries. Unemployment has reached what is considered a minimum, though in some instances it is reported that employers' hiring standards have resulted in somewhat decreased employment opportunities for certain groups of workers (for example, older workers, disabled persons and married women). Australia and New Zealand, with record employment levels, are facing serious manpower shortages; the jobs available for both men and women workers considerably exceed the supply of workers seeking employment.

On the other hand, unemployment and chronic underemployment continue to prevail in many countries of the world. In Greece, unemployment is very extensive, though precise figures are lacking; in Italy, the number of unemployed registered with the employment offices was about 1,750,000 at the beginning of 1948 despite the emigration during 1946 and 1947 of several hundred thousand Italians. In certain other countries of Europe, including parts of Bulgaria, Hungary and Germany, there are substantial pockets of unemployment. In some cases, as in Poland, workers who were unemployed have been reabsorbed in productive activity through occupational or geographical transfers. The Latin American countries continue to be faced with the problem of underemployment and, although its depressing effect on living standards is recognised, difficulties of rapid industrialisation have made it almost impossible to do much to alleviate the situation during the past year. There is, moreover, a growing problem of unemployment in a number of Latin American countries, for example in the textile industry in Mexico, in the sugar industry in Cuba and in various branches of industry in São Paulo, Brazil. Finally, some unemployment has arisen in infant industries in these countries because of difficulties in procuring the needed capital, machinery and other equipment. In China, the spread of internal warfare in the north-eastern provinces and north China and a decline in industrial output in central and south China led to increased unemployment in most parts of the country, particularly during the last half of 1947; in Shanghai alone, for example, the number of unemployed persons totalled some 300,000 near the
end of 1947. In India, following the partition of the country into two Dominions, the enforced displacement of population, involving some 8,000,000 people, together with disruption of industry, commerce and transport, has aggravated the perennial problem of unemployment and underemployment. Unemployment has been particularly serious in the north-west of India and in western Pakistan. In both India and China and also in a number of the Latin American countries, and in the Middle East, shortages of trained workers for many kinds of productive activity exist alongside widespread underemployment of human resources.

Finally, it might be noted that in several countries with manpower shortage (for example, the Scandinavian countries) there has been a reduction in the demand for labour, leading to some upswing in unemployment, still on a small scale and confined, for the most part, to particular industries. This tendency may be caused by temporary economic difficulties or it may be symptomatic of certain more long-term factors. In the United Kingdom, it is expected that there will be an increase in short-term unemployment resulting from the changing pattern of industry, an increase in transitional unemployment resulting from internal changes in particular industries, and some increase resulting from shortages of steel and other materials. The same type of situation also seems to be developing in other western European countries.

In summary, the general employment situation is somewhat contradictory. So far as the level of employment is concerned, the position may be regarded as satisfactory in large areas of the world, though a number of danger signals have appeared during the past year. However, widespread underemployment of manpower resources and persistent unemployment in some countries can hardly be regarded as healthy elements in the current world economic and social situation. The manpower shortage prevailing in other countries and the skill shortage all over the world provide the other side of the picture and also give rise to employment problems of world concern.

Policy relating to Employment Organisation

Policy relating to employment organisation has been revised considerably in a good many countries, although it has undergone relatively little basic change in most of them. In
the majority of cases, the revision of policy has resulted from the economic needs to be met. In countries with a labour shortage, existing policies of employment organisation have been extended and reinforced, as in Czechoslovakia, France, Norway, Poland and the United Kingdom, while in countries with a chronic labour surplus, as in India, efforts to mobilise manpower in support of economic development have been intensified. In exceptional situations, particularly in parts of the world where there are internal disturbances, as in Greece, changes in policy relating to employment organisation have been more or less of an ad hoc character and are difficult to define.

Mobilisation of Labour Reserves.

In the many countries experiencing general manpower shortage, particularly in Europe, special emphasis has been placed on measures for mobilising resources more effectively. Certain of these countries have taken measures to reinforce the general organisation of employment, and in particular to improve their employment services and to adapt their work to new requirements.\(^1\)

A number of countries with manpower shortage, including for example Australia, Belgium, Czechoslovakia, France, Luxembourg, Poland, Sweden and the United Kingdom, have been taking action to improve arrangements for the vocational guidance, training and placement of young persons leaving school and entering employment. In a number of these countries, the arrangements made will result in a complete overhaul of the existing system of vocational education and also in the extension of specialised guidance and placement services. It is hoped in this way to assist young workers to find the most suitable employment in the light of their aptitudes and tastes and the manpower requirements of the economy.\(^2\)

In addition, several of these countries have launched or intensified campaigns to encourage larger numbers of women to enter employment on a part-time or full-time basis. Since wartime experience has shown that the supply of women workers tends to be somewhat inelastic and that these campaigns must be accompanied by practical action to make possible

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1 See below, pp. 56-57.
2 See below, pp. 57 et seq.
the employment of women with household responsibilities, a number of countries, especially in Europe, have extended such facilities for women workers as cheap laundry and mending services, special shopping arrangements, inexpensive community kitchen or restaurant services, school lunch arrangements and nurseries for young children.

Disabled persons constitute a further source of manpower which a good many countries, particularly those in which manpower shortages are most acute and the disabled population is large, have mobilised more effectively during the past year. Measures, in some cases backed by compulsion on employers, have been taken to provide disabled persons with fuller and more varied employment opportunities and to place them in work requiring their full abilities. In the Netherlands, for example, under the terms of an Act of 1 August 1947, employers of 20 to 50 workers are required to engage one disabled person, and employers of more than 50 workers to engage one disabled person for each 50 non-disabled workers. In the United Kingdom measures for the vocational re-establishment of the disabled have had encouraging success during the past year, and their application has provided a useful testing-ground of experience for other countries introducing or contemplating measures of a similar kind. The Danish Minister of Social Affairs has appointed a special committee to consider the question of extending and improving the existing scheme for the vocational re-establishment of the disabled; in Norway, a committee is to be appointed for the same general purpose; and in Sweden, the existing committee has issued a number of reports on various aspects of the problems involved in re-establishing disabled persons. China has organised a rehabilitation centre for disabled persons, which will provide vocational retraining, among other services.

So far as older workers are concerned, the problem in countries with labour shortage is not so much one of providing them with employment opportunities as of giving them a stronger moral and financial incentive to stay in or return to work. Propaganda campaigns appealing to such workers to contribute to the maximum of their ability have sometimes been linked with measures to ensure that older workers are not exploited and that, where necessary, they are employed on work suited to reduced physical capacity. Some countries, for example France and the United Kingdom, permit old-age
pensioners to receive their full pension while continuing to work. In Canada and the United States, among other countries, the selective placement techniques, worked out in the first instance for handicapped workers, are being used successfully to provide older workers with employment suited to their experience and abilities. In a great many countries, including Australia, Canada, New Zealand, Poland and the United States, educational campaigns have been planned to convince employers that older workers can be a valuable asset in their labour force.

Measures taken nationally to secure full employment of national labour resources have been discussed at some length in international meetings or conferences at which manpower problems have been considered. For example, these questions were discussed by the Manpower Sub-Committee of the Economic Commission for Europe and by the Manpower Conference in Rome, convened as a result of a decision of the Committee of European Economic Co-operation. Moreover, at the meeting of the Scandinavian Ministers of Social Affairs in August 1947, special attention was devoted to programmes for mobilising manpower resources, such as disabled persons and married women. Sweden reported that it had succeeded in drawing into employment some 20,000 persons partially able to work.

Redistribution of Manpower.

In spite of the mobilisation of labour reserves most countries with full employment have not found it possible to mobilise within their own frontiers an additional supply of workers sufficient to satisfy the heavy demands for labour of industry and agriculture. In the face of continuing manpower shortage, such countries have had to give urgent attention to measures aimed at achieving a better redistribution of workers so that priority manpower needs may be met. The need has been for greater mobility of labour, both occupational and geographical. These measures have included a series of devices for increasing the relative attractiveness of work in the industries and activities reported as essential—for example increased wages, special bonuses, transfer allowances, housing privileges, extra food rations and exemption from military service. Moreover,

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¹ See also the section of this chapter on migration, pp. 60 et seq.
controls of employment have been introduced, reintroduced, or extended in the majority of European countries experiencing acute manpower shortages for essential industries, for example in Czechoslovakia, Norway, Poland and the United Kingdom. These controls have been operating with a fair measure of success, but their application is necessarily limited not only because their administration is cumbersome but also because they are frequently opposed for psychological reasons, especially by workers in the countries which had been occupied by the Nazis, since to them such controls seem reminiscent of Nazi techniques. Thus most countries have placed primary reliance on indirect methods of employment supervision. These, largely carried out by the employment service, for example, through employment counselling activities, have supplemented controls of employment where these exist and have also been widely used in countries in which direct controls of employment have been found impracticable or are regarded as unnecessary or undesirable. Public education with respect to manpower requirements and their relationship to economic development has been very much intensified during the past year in a number of countries.

In Europe, it is estimated that measures aimed at more effective use and distribution of national manpower resources have reduced the over-all manpower requirements of these countries by several hundred thousand workers. However, it is realised that much more can be done. For example, the Manpower Conference referred to above recommended a continuation and intensification of measures aimed at attracting workers to essential employment.

Plans governing the location of industrial activity have been made after consideration of manpower availability, as in Poland, Sweden and the United Kingdom. Where the work cannot be brought to the workers, the latter must sometimes move to find useful employment. Facilities for promoting necessary geographical transfers of workers have been extended in Czechoslovakia and France, for example. However, the many obstacles to such transfers, particularly housing difficulties, have prevented the redistribution of workers on a sufficiently large-scale to correspond to the present pattern of employment opportunities.

In several Latin American countries, for example Brazil, Mexico and Uruguay, measures are being planned to effect a
better distribution of manpower as between industry and agriculture, in such a manner as to raise living standards while safeguarding the labour supply available for each branch of productive activity. Moreover, a number of these countries, including Argentina, Chile, Mexico and Peru, have also given special attention to problems connected with the recruitment, training and employment of young workers and adults for industry. These questions are also of special concern at present to countries of the Far and Middle East. The lack of adequate employment service machinery has made it difficult to organise employment and to increase workers' skills in harmony with national aspirations and requirements.

Employment Information.

The importance of radically improving the information available concerning the situation and trend of employment and particulars of the demand for and supply of workers has been brought into clear relief as a result of experience of the past year. In countries with labour shortage, it has been necessary to carry forward the idea of general manpower budgeting, an idea which is now being applied in a number of European countries and, to a lesser but significant extent, in Australia, New Zealand and the United States. Within this framework, European countries of labour shortage have been struggling to revise and improve methods of forecasting labour requirements and of classifying employment opportunities and demands for workers. In the countries which are now suffering from manpower surplus or disguised unemployment and which are seeking to industrialise their economies, policy relating to employment organisation has continued to centre around measures aimed at improving statistical information and other basic knowledge about the employment situation. The need for more adequate and reliable employment information is being stressed, for example, in Burma, China and India, in Mexico and in the Middle East. It is interesting that in several of these countries, for instance in India and Mexico, the trade unions are strongly urging the Governments to improve their employment data. In Italy, steps are being taken to provide better information about the unemployed or underemployed population, and Greece has been planning similar action.
So far as the organisation of employment is concerned, one of the chief common preoccupations of the various countries has been the development of more adequate employment service machinery. Because of the topical interest of this question the International Labour Conference is now working out a set of guiding principles on employment service organisation and functions. National interest in the question has not diminished during the year under review. In countries where the employment service is a recent development, for example in China, India and Pakistan, most encouraging strides have been made during the last year, despite serious internal disturbances and technical difficulties. In China, there were some 450 employment offices in operation at the end of September 1947, and in a few areas, for example in Shanghai, plans are being made for extensive employment service operations on an experimental basis. In India, the employment service had taken root before partition and the facilities were divided between the two Dominions following partition. In both India and Pakistan, the aim is to improve and extend employment service facilities as rapidly as possible and to ensure that they are more widely used both by employers and by workers. The Director-General of Resettlement and Employment in India has urged the importance of employment services in assisting the economic development of Asian countries, and it is significant that the Preparatory Asian Regional Conference adopted a resolution favouring the establishment of employment services. In the Middle East as well, the foundations of national employment services have been laid and concern for their development is evidenced by the resolution on the question adopted by the Regional Meeting for the Near and Middle East in 1947. In Australia, Canada and New Zealand the employment services have been intensifying their work and strengthening their relations with employers and workers. The United States Employment Service has been through a period of reorganisation following its re-establishment on a Federal-State basis, but the Service has been able to take part in the vast task of employment organisation in the country as a whole and has taken on responsibility for a year-round farm placement programme.

Manpower shortage in most European countries has led to a considerable widening of the activities of national employment
services and in some cases to a greater structural centralisation and in others to general reorganisation. With the passage of the Employment Act the Norwegian employment service has acquired heavier responsibilities and is brought under central control. The Swedish employment service was also permanently centralised on a national basis as the result of a Riksdag decision of June 1947. In several countries, for example France, Hungary and Czechoslovakia, the employment service machinery has been overhauled with a view to improving its efficiency as the central pivot of employment organisation. The functions of the employment services reflect the manpower situation: in Poland and Czechoslovakia, for example, internal manpower redistribution is a chief task of the employment service, and in France the manpower services are devoting great efforts to the recruitment and placement of foreign workers.

Vocational Training and Retraining.

So far as the organisation of vocational training is concerned, a number of countries have substantially revised their training programmes for young persons, as for example, Belgium, France, Hungary, Poland, Sweden and the United Kingdom. Peru has a comprehensive new plan now going into effect; New Zealand has appointed a Commissioner of Apprenticeship and is applying the major recommendations of the Apprenticeship Commission; the United States is extending vocational school facilities and is trying to improve the standards of vocational education; it also reports an increase in apprenticeship (nearly 100,000 industrial establishments are now participating in over 25,000 apprentice training programmes); and in the U.S.S.R., the Five-Year Plan for 1946-1950 calls for the systematic training of about 4,500,000 young persons before they enter industry, while the labour reserves training programme had provided some 2,250,000 trained young workers during the first five years of its existence (1940-1945). The recruitment and training of young workers for particular industries have received greater attention than in the past; for example, the I.L.O. Coal Mines Committee adopted a detailed resolution concerning the training of young workers for the coal mining industry, and in the United Kingdom a number of joint industrial committees have studied in detail the problems connected with the recruitment and training of young workers for the industries concerned.
Measures for the vocational training of young workers are essential for the development of any country. At the present time, however, skill shortage is a bottleneck to production not only in countries with labour shortage but throughout the world. Moreover, many of the difficulties encountered during the year under review have arisen because the promotion of necessary manpower redistribution requires above all the adaptation of the skills of the workers to the needs of essential industries. At the present time, this means, essentially, vocational training and retraining for adult workers. Although measures for this purpose are recognised to be of great importance, almost everywhere much requires to be done to give them full practical application. Nevertheless, for the first time, the question of the training of adult workers is now looked upon as an urgent question of social policy. Measures to organise suitable forms of training have been adopted in all the countries suffering from manpower shortage at the present time and also in a number of industrialising countries that lack trained workers for national development.

Belgium and the Netherlands have increased the training and retraining facilities available for adult workers: the Netherlands has introduced a new scheme for accelerated industrial training, and the Belgian Fund for the Maintenance of the Unemployed has published an interesting analysis of post-war experience of the rapid retraining of adult workers for industry, including an indication of the types of training which had been most successful. France now has some 200 vocational retraining centres, concentrating especially on training adults for the building and engineering trades. The U.S.S.R. has an extended training scheme, through the application of which it is expected to raise average individual productivity by more than one third and thus expand output. The United Kingdom has undertaken a large expansion of training schemes in many different trades, with special emphasis on the training of workers for building and coal mining. Poland has just put into operation an extensive training scheme for the rapid training of many categories of skilled workers, and also has a special scheme for the training of miners. Bulgaria, Hungary and Yugoslavia are making efforts to train cadres of skilled workers and to train other workers for industrial employments. Australia and New Zealand have continued their reconstruction trade training schemes for adult workers, which have been operating successfully hitherto. In both Canada and the United States, adult workers have been
receiving training by a variety of methods, and particularly through on-the-job training given in employers’ establishments. In India and Pakistan, substantial progress is being made with the organisation of technical training. Following partition, India had 160 training centres, with a trainee capacity of over 10,000, and Pakistan 45 centres with a capacity of over 4,000. Efforts are being made to improve the quality of the training provided, and to extend the scheme to civilians as well as ex-service men. Vocational training for adults is also under way on a limited scale in certain Latin American countries. This is also the case in China, which has taken several initiatives, including the promulgation of regulations to govern the training of some 10,000 skilled workers, and the provision of training for ex-army officers; training is also being stressed in relation to the expanding employment service organisation.

So far the results of schemes for the training of adults seem to have been encouraging, though very limited in comparison with the need. It necessarily takes much time and money to train or retrain workers to provide the skills required. With a few exceptions, experience of the organisation and methods of the training of adults is lacking; the necessary premises, equipment, materials and instructors are hard to find; and often employers and trade unions alike have been slow to realise the need not only for the initial training of inexperienced entrants into industry but for the upgrading of the existing labour force, which provides the only means for the absorption of new recruits. However, Governments, particularly those suffering from immediate manpower shortage, are committed to the expansion of training schemes to the maximum possible extent, both for the training of their own workers and for the training of imported foreign workers. It is widely appreciated that only through well-developed training programmes, fully supported by the employers and trade unions of the countries concerned, can manpower mobilisation and redistribution be successfully achieved and levels of production and productivity increased. It is also recognised that the lack of skilled labour is not a problem which can be overcome quickly, and that the sooner attention is given to the whole question of the training and retraining of workers, the better chance there will be of safeguarding the future of each country’s economy.

Though progress in the field of employment organisation has been disappointingly slow in certain respects and in a number
of countries, a more vigorous approach seems to characterise the measures now being taken. Manpower problems have been defined more clearly. In most cases the principles of action to deal with them have been fairly well established. The year to come may well see the fruits of their application. Moreover, a correspondingly more vigorous approach to employment organisation seems to be developing at the international level, as evidenced, for example, by the expanded general and regional activities of the I.L.O. relating to employment questions and the increasing emphasis on international co-operation, bilaterally or on a wider scale, in seeking solutions for employment problems. The need for manpower redistribution in economic development and reconstruction, the persistence of manpower surpluses and shortages within and among the different countries, and the worldwide deficit of skill leave little room for complacency in facing the future. The programmes laid down during the past two years will have to be applied with patient diligence if the next year is to see the amount of practical progress towards effective employment organisation, nationally and internationally, which seems to be required by the present world economic situation.

INTERNATIONAL MIGRATION

The large-scale movements of population caused by the war have slackened in Europe, though they left behind in that continent the serious question of refugees and displaced persons. Reference should, however, be made to the completion of the movement of more than 5 million Poles into the former German territory east of the Oder and the Nysa Rivers, and their settlement on the land, thus replacing Germans who have moved further west.

In Asia, on the other hand, these movements have increased. The division of India into two Dominions was followed by migration on an extremely wide scale which is not yet completed. Up to November 1947, over 4 million Hindus had been evacuated from western Pakistan, and it is estimated that a roughly equal number of Moslems moved in the opposite direction. The two Governments concerned are faced with grave problems of aid and rehabilitation. The steps they have taken include
provision for the use of uncultivated land, the establishment of new industries, and the grant of loans to evacuated persons. By the end of January 1948 over 1,700,000 of these persons had been settled by the Government of India on the land in East Punjab.

In China, the number of persons who had to leave their homes as a result of the civil war and such natural catastrophes as floods is placed at over 52 million, a figure which does not include those who have been unable to return to their pre-war homes. Of the 300,000 Chinese nationals who took refuge in their country of origin following the first stages of the war in the Pacific, about 30,000 are still awaiting the chance to return to the other Asian countries in which they had previously lived. The Government of China is negotiating with the authorities of the countries in question concerning the readmission of these persons; in some cases, the negotiations have already led to an agreement.

*Migration Inside Europe*

Whereas in Asia attention is centred on these exceptional movements of population, in Europe there are unmistakable signs of a resumption in normal migration for employment. As compared with pre-war migration, two aspects of this recovery strike the observer: first, the movements of any considerable volume start from Italy or the refugee camps of western Germany and central Europe, and reach out to many other countries of Europe and America; secondly, migration movements tend more and more to be organised, both as a whole and at their different stages, under bilateral agreements—a development facilitated by the action to regulate employment taken by Governments during the war. At present, the volume of migration inside Europe exceeds that of the traditional movement from Europe overseas. During the second half of 1947, Belgium admitted 54,000 foreign workers, France 40,000, Switzerland 65,000, and the United Kingdom 110,000. But even this volume of immigration is far from satisfying the manpower needs of the countries in question as estimated for 1948. According to information supplied to the Manpower Conference held in January-February 1948, the numbers of workers required are as follows: 21,000 in Belgium, 145,000 in France, 5,400 in Luxembourg, 9,300 in the Netherlands, 5,000 in Sweden, 67,000 in Switzerland, and 100,000 in the United Kingdom.
High though these figures are, they fall far short of the number of potential emigrants. Most of the latter are to be found in Italy (where, despite action to promote employment, there are about 1,750,000 unemployed) and among the refugees and displaced persons (several hundred thousand). Without prejudice to the future expansion of employment in Germany, that country too may already be regarded as a source of manpower: in the combined Anglo-American Zone there are 500,000 more women workers than can find employment; and a large number of German men are employed in France. In view of the disturbance to the French economy which would be caused by the departure of the German prisoners of war employed there (a process due to be completed before July 1948), France has offered the prisoners a new status as free civilian workers; and by 15 November 1947 over 118,000 of them had opted in favour of this arrangement, which guarantees them equality of treatment with French workers. The French authorities have also recruited over 4,000 workers in their occupation zone of Germany. The number of potential emigrants in Germany would be increased further if the 62,000 Germans still in Denmark (out of 220,000 evacuated there during the war) were returned to their home country; the maintenance of these persons in special camps involves the Danish authorities in considerable expense.

The United Kingdom—as also Canada—as found a supply of manpower among members of the former Polish forces now in that country, about 24,000 of whom ad already received civilian employment by July 1947. Such employment has been more accessible to them since setps were taken with a view to their vocational training. The British authorities are also considering the employment of German ex-prisoners of war on a civilian footing, as in France.

Comparison between the figures for European manpower needs and for manpower now available shows a discrepancy which only oversea migration can remove. Even when expanded economic activity has increased the possibilities of employment, Italy will still have to reckon with a large number of unemployed; their migration to other European countries is prevented in several cases by the fact that most of them are unskilled labourers, whereas the demand is mainly for skilled workers. A similar—though less pronounced—situation obtains also in non-European countries, particularly those which are being
industrialised. With the gradual organisation of migration movements, there is a growing tendency to emigrate only for the purpose of taking up a definite post in the new country. The progress of migration is thus bound up with the vocational training of migrants for future employment; and, as the Permanent Migration Committee has recognised, there is wide scope for international co-operation in this field. A recent example may be found in the new Italian-Argentine agreement on migration, which came into force on 28 January 1948; this includes a provision that the authorities of the two countries shall jointly draft a plan for the vocational guidance and training of Italian migrants and shall share the expense involved.

**Bilateral Agreements**

As already stated, the largest present migration movements are being conducted mainly within the framework of bilateral agreements (Italian emigration, movement of displaced persons, migration from the United Kingdom to the Dominions); but it by no means follows that they are necessarily collective in character. The past twelve months have seen the introduction of no new unilateral regulations such as would impede the conclusion of international arrangements. The Decree issued by the Portuguese Government on 28 October 1947, while providing for the supervision of emigration and the protection of emigrants by the establishment of an *ad hoc* committee, expressly states that bilateral agreements may be concluded with countries of immigration. The agreements signed by Italy, on the one hand, and Argentina, Austria, Belgium, Czechoslovakia, France, Sweden and the United Kingdom, on the other, deserve special attention because of certain of their clauses.

The Italian authorities regard emigration as an indispensable counterpart to their demographic and economic policy, and consider bilateral agreements to be the best means of providing emigrants with safeguards for the success of their venture. The conditions of life and work offered to them are therefore specified in the agreements themselves or in the model contracts of employment for which the agreements provide. Special clauses enable the migrants to transmit savings to their families remaining in Italy; these sums are paid into a special fund, which also serves to provide the Italian Government with the foreign
exchange, including dollars, required for the purchase of imports. Another characteristic of these agreements is that they apply only to specified quotas of workers belonging to clearly prescribed occupations—50,000 workers for the Belgian coal mines, 2,800 for the British iron and steel industry, 10,000 beetroot workers for France, 500 workers for the Swedish engineering trades, and 2,000 farm workers, 2,000 miners, and 1,000 other industrial workers for Czechoslovakia. Another agreement with France, concluded in 1947, provided for the migration of 200,000 workers for employment in general, including 25,000 for the coal mines. Under all the agreements, recruitment procedure is organised in detail, including, in particular, that of physical and occupational selection. The recruited workers are usually directed to assembly centres in Italy, these important links in the organisation of migration movements being administered by the Italian authorities in agreement with those of the country of destination. The cost of the journey from the assembly points in Italy to the workplace (fares and maintenance) is borne by the receiving country, which also in some cases shares in the cost of recruitment and medical examination. Lastly, one of the clauses of the agreement with Argentina deserves special mention; it provides that the two Governments shall facilitate the migration of organised groups of workers, manual or non-manual, together—in appropriate cases—with the machinery and equipment they require.

Displaced Persons

The establishment of the International Refugee Organisation (the Constitution of which had been ratified by 14 States in March 1948) met a widespread need; how wide may be judged from the fact that at the end of 1947 over 625,000 persons were supported through that Organisation. Apart from the smaller centres, an enormous reserve of manpower is to be found in the camps of western Germany (about 513,000 persons), Austria (44,500), Italy (30,250), and the Middle East (23,000). Moreover, these figures cover only such displaced persons as receive aid from the I.R.O.; hundreds of thousands of others are excluded because they do not qualify for such aid; nor has the influx of new refugees yet ceased. Some millions of displaced persons have been repatriated since the end of the war, and it seems highly improbable that many are still left who wish to return.
to their country of origin. The principal task of the I.R.O. is therefore to settle them elsewhere; and it is expected that over 400,000, including about 300,000 from the camps, will be able to be settled during the year beginning 1 July 1948. At present, European countries (Belgium, France, Netherlands, United Kingdom) are admitting the largest numbers of displaced persons; and it is expected that during the year 1948-49, 275,000 of the above-mentioned 400,000 can be transported, in vessels chartered by the I.R.O., to oversea countries. Some of the latter—e.g., Argentina, Australia, Brazil, Canada, Peru, Venezuela—have indeed already received groups, and others are negotiating with a view to similar action. More particularly, Brazil has opened negotiations to define the terms of its membership in the International Refugee Organisation; the contemplated plan would enable it to allot to ordinary migrants part of the accommodation on vessels provided by the I.R.O. for the transport of displaced persons.

Some of the refugees succeed in emigrating independently or with the help of private organisations, but the great majority are recruited collectively by official missions sent to the camps under agreements with the I.R.O. At the end of 1947 there were missions from the following countries: Australia, Belgium, Brazil, Canada, Chile, France, the Netherlands, Peru, Switzerland (Swiss Red Cross), the Union of South Africa, the United Kingdom and Venezuela. Other countries are accepting displaced persons not assisted by the I.R.O., under agreements with the occupation authorities in Germany and Austria; Sweden, for instance, has concluded an agreement for the recruitment of Sudeten Germans.

The different missions are tending to co-ordinate their work and they have adopted common standards for the medical selection of migrants. Hitherto, unless the criteria applied by recruiting missions have been extremely severe, the number of candidates rejected has been very low; of 30,000 displaced persons examined by the British authorities up to the end of 1947, only 90 were rejected. The figures suggest a favourable conclusion as to the level of health in the camps. The resettlement of displaced persons will be all the easier because they include a high proportion of skilled workers (between 26 and 42 per cent., according to an investigation covering over 200,000 such persons).

The International Labour Organisation is following the
work of the I.R.O. with the greatest interest, and is giving it all possible technical assistance. According to a formal resolution of the Permanent Migration Committee, the decisions taken by the I.L.O. with a view to regulating migration movements in general will apply also to the migration of refugees and displaced persons.

Inter-Continental and Inter-American Migration

The shortage of manpower now affecting the European economy is also to be found in the other continents. At the end of January 1948 there were in Australia, for instance, 92,000 vacancies which could not be filled. The consequence has been an increase in oversea migration. For reasons of an economic as well as of a demographic character, most of the countries of the New World, except the United States, have given fresh expression to the policy of encouraging selected migration from Europe.

Inter-American migration has not provided those countries with any considerable supply of manpower, save in North America, where there have been movements between the United States and Canada and from Mexico and the West Indies to the United States. Although the authority of the United States Government to recruit foreign agricultural workers, which had been granted during the war, was extended to the end of 1947, and although the Mexicans concerned were authorised to remain in the United States for a further period, there has been a large clandestine movement between the two countries. In order to put an end to this, the two Governments concluded an agreement on 10 March 1947, replaced subsequently by one of 21 February 1948.

Despite the housing shortage, which considerably hampers the acceptance of further immigrants, and despite difficulties of transport, there are various indications that the resumption of oversea migration may soon be intensified. This recovery would be further stimulated if, as suggested by President Truman in a Message on 7 July 1947, the United States Congress were to pass special legislation enabling a substantial number of displaced persons to enter the country; various proposals have indeed been made in the House of Representatives and in the Senate with the object of permitting the entry of displaced persons as non-quota immigrants.
Among the countries of the British Commonwealth, Australia, Canada and New Zealand have decided to accelerate immigration. Although itself short of manpower, the United Kingdom continues to provide emigrants for the Commonwealth countries and the Government encourages and supervises this movement, by means of agreements, to the extent compatible with national needs. In 1947, Australia concluded arrangements with the Netherlands providing for the entry of a number of nationals of the latter country, and extended its scheme of assisted migration from Britain; British subjects who have not long been resident in the United Kingdom, as well as United States war veterans, may now also benefit under this scheme. During the twelve months ending 31 March 1947, Canada accepted over 55,000 Europeans, of whom nearly 44,000 were British; it is now proposing to open its doors to over 20,000 displaced persons. The greater facilities for entry granted to foreign workers by the Canadian authorities are the outcome of the policy defined by the Prime Minister in 1947; this aims at "fostering the growth of the population" by "the careful selection and settlement of such number of immigrants as can advantageously be absorbed in the national economy".

An increase in European migration to the Latin American countries may also be expected. The missions which several of these countries have sent to Europe do not confine their attention to displaced persons, but are intended to recruit other migrants also. Argentina, in particular, apart from its agreement with Italy, has prepared a five-year programme providing for the entry of farmers and skilled workers at the rate of 50,000 a year.

The increased importance attributed to the migration aspects of manpower problems is naturally reflected in the work of the International Labour Organisation itself, and some account of the current activities of the I.L.O. in these fields and their prospective development will be found in Chapter III.

**Freedom of Association and Industrial Relations**

The importance of the questions of freedom of association and industrial relations is shown by the fact that each of them figures on the agenda of the Conference as a separate item. Reports on these two items as provided for by the Standing
Orders are before the Conference and contain the material necessary for its discussions. The Conference has also before it a report from the Governing Body dealing with the question of measures to guarantee the effective safeguarding of freedom of association.

It is therefore unnecessary to deal with these subjects in the present Report, but the Conference will learn with satisfaction that the Economic and Social Council of the United Nations, on receiving the report of the I.L.O. informing it of the conclusions reached by the 30th Session of the International Labour Conference on freedom of association and trade union rights, formally recognised the principles laid down by the International Labour Conference and decided to transmit the I.L.O. report to the General Assembly. The General Assembly, after a lengthy discussion, adopted a resolution endorsing "the principles proclaimed by the International Labour Conference in respect of trade union rights as well as the principles the importance of which to labour has already been recognised and which are mentioned in the Constitution of the International Labour Organisation and in the Declaration of Philadelphia".

The General Assembly also recommended the I.L.O. to proceed urgently, in collaboration with the United Nations, with the study of international measures to ensure that the application of the principles in question are effectively respected.

**Social Security**

The impetus and direction which were imparted to the social security movement throughout the world by the Recommendations on Income Security and Medical Care, adopted by the International Labour Conference at its 1944 Session, continue to influence effectively the course of social security legislation and planning in every continent. So strong is the demand for social security that peoples, particularly in Europe, are ready to apply to its satisfaction as much as a quarter of their wages, which is a much higher proportion than was typical before World War II. Comprehensiveness of coverage in respect of persons and risks, benefits that are socially adequate, a more thorough and constructive conception of medical care, and progressive unification in the fields of administration and finance—these are the dominant themes expressed in recent conferences and national developments.
A survey of the more important national developments shows how the goal of comprehensive social security is being pursued in many countries through the amendment of existing schemes and in the planning of new ones. Coverage has been extended both by bringing into insurance new groups of persons and by providing benefits for additional contingencies causing loss of income or of health or involving increased charges that should properly be shared with the community. The understanding that the human assets of a country constitute the basis of its wealth is everywhere leading to the improvement of health benefits and, in countries decimated by war or having too low a birth rate, to the establishment of family allowances, while cash benefits generally are being increased in order both to meet the rise in the cost of living and in any case to bring minimum rates up to an adequate subsistence level. Again, with a view to promoting national prosperity, the policy of differentiating benefits in favour of occupational groups whose work is both particularly arduous and of critical economic importance is becoming more emphatic and is spreading to further countries.

Evidence of the trend towards providing protection for ever larger sectors of the population is furnished by the extension of insurance against contingencies already covered for limited groups of the population to persons in the higher income brackets, to occupations or sections of employees not hitherto included, or, more boldly, to self-employed persons and those not gainfully occupied but of importance, such as mothers or guardians of the young generation.

Thus, the salary limit determining liability to insurance has been raised in Ireland and Canada. Luxembourg now admits to compulsory insurance against employment injury all non-manual workers irrespective of income. In France, the earnings limit was abolished for employees in 1945. The means test, the equivalent in social assistance of the earnings limit of social insurance, has been abolished for family allowances and liberalised for other benefits in New Zealand. Australia has also raised allowable income for claimants to benefits other than child and maternity allowances; the grant of the latter is not subject to means tests.

Additional occupational groups of employees have been brought under general schemes or are being provided for under special schemes. Employees in agricultural undertakings are now covered by the general system in Belgium, and by sickness
and maternity insurance and pension insurance in Luxembourg, where the scope of all the three branches covering physical risks now includes commercial employees, homeworking artisans and domestic servants. Bulgaria, Rumania and Yugoslavia are continuing to bring new classes of workers under their general schemes. In New Zealand, airmen are covered by the employment injury insurance schemes, as recently amended.

Unemployment benefit in the Union of South Africa, hitherto provided only for particular industries, is now granted under an insurance scheme, national in scope, to all employees, with the exception of those in agriculture and of certain other groups with special labour conditions. Rates of benefit depend on wage classes; financing and administration are based on the tripartite principle.

Special pension schemes for additional branches of production have been established in Cuba, on the lines of those already in force for such groups as workers engaged in the growing, manufacture and transport of sugar.

The extension to self-employed persons and persons not gainfully occupied of the coverage already provided for in the case of employees has been or is being contemplated in a number of countries. France, having encountered difficulties in collecting contributions for old-age insurance from self-employed persons generally, has recently placed the organisation of old-age security for this class on an occupational basis, by the formation of autonomous funds for four occupational classes, three non-agricultural and one agricultural. Each fund will grant old-age allowances to members deprived of sufficient resources, but may introduce compulsory old-age insurance for all or some of its sections.

A provisional scheme in the Netherlands provides old-age allowances for all Netherlands subjects whose income does not exceed a prescribed amount, since the existing old-age insurance scheme applies to employed persons only.

Additional contingencies have been covered for persons already insured either by extending existing schemes or by introducing new ones. Imperative post-war needs have called for the development of those benefits especially that are designed to maintain and replenish the manpower of each country, more particularly, health benefits and family allowances. The resulting charges are frequently met either from public funds or are imposed upon the employer as part of the cost of production. The allocation of a growing portion of the national income to purposes of
social security may partly account for a tendency to provide benefits which are less essential from the economic point of view, such as old-age pensions, on the basis of assistance rather than insurance, at least as a temporary expedient.

Health benefits have been liberalised in many countries. In the Netherlands, sickness benefit for employees is now granted for 52 instead of 26 weeks. In Luxembourg, medical care for dependants has become a statutory benefit, the time limit for medical care has been removed and the qualifying period for sickness benefit has been abolished. In France, long-term sickness benefit, provided for as long as three years, has been added to the benefits of the seafarers' and the miners' separate insurance schemes, bringing them into line with the general scheme for non-agricultural employees. In Norway, sickness benefit is granted for 52 weeks instead of 39 in respect of one and the same illness, the limitation to 26 weeks per year having been abolished; the maximum benefit period is two years, however, in cases of tuberculosis, cancer and polyarthritis. New Zealand has included, among the medical benefits of the Social Security Act, dental care for children and adolescents, given largely at State dental clinics. Australia has re-enacted its Pharmaceutical Benefit Act, declared *ultra vires* by the courts, following a referendum that gave the Federal Government power to legislate on social services. The introduction of a medical care service is under consideration, but agreement with the medical profession on both these measures is still pending. Kenya has established a hospital service for Europeans, financed by a special tax. In the United States, further consideration was given during 1947-1948 to proposed legislation for establishing a national health programme. The President recommended enactment of a comprehensive national system of health and disability insurance. In Congress, a Committee of the Senate held hearings concerned principally with the relative merits of two somewhat dissimilar proposals in the health field: the establishment of a national health insurance programme or the setting up of a new system of federal grants to States to assist them in providing free, or partly free, medical services to low-income families and needy persons. The Social Security Administration believes that the problem of meeting the costs of medical care on a prepaid basis exists for the great majority of people and cannot be solved by measures that make eligibility for service depend on a means or income test basis, as proposed by advocates of
extended medical assistance; it must be met by a programme sufficiently broad in coverage to reach eventually all the people in need of help in meeting medical costs and provide for their participation in meeting the cost. Under the railroad workers' insurance scheme, cash benefits in case of loss of earnings due to sickness or maternity became payable in 1947, within the framework of the unemployment insurance provisions.

But health benefits are no longer necessarily restricted to the granting of medical care and cash benefits when the risk of ill health has materialised. The maintenance and improvement of health, the prevention of accidents and the rehabilitation of the disabled are being increasingly recognised as a proper concern of social security institutions, whose task it must be to forestall waste of manpower through ill health. Thus, France is devoting an appreciable portion of insurance contributions to the new activities of its social security funds, which include prevention of social diseases, such as tuberculosis, maternity and child welfare, and improvement of health equipment; the employment injury scheme is devised primarily to promote prevention and rehabilitation. Australia and Switzerland have increased federal aid to persons suffering from tuberculosis. Under the national health service, shortly to be introduced in Great Britain, certain kinds of preventive care, such as maternity and child welfare, vaccination and health visiting, will be provided by local health authorities. In the Argentine Republic, the preventive medical service which all sections of the National Social Insurance Institute must grant to their members is furnished by the Ministry of Public Health with the aid of the contributions from the Institute. A recent Act provides for the preparation of an over-all health and social assistance plan. In Brazil, too, a national health code is being studied.

In Asia, Malaya and Singapore have made considerable strides in the reconstruction of their extensive public medical care services, which are under the same management as the general health services, as is also the case in Ceylon. In the last-mentioned country, the co-ordination of preventive and curative care has been strengthened.

Family allowances have been introduced in a number of countries. Luxembourg and Poland have established special schemes for employees, financed by the employers, under which allowances are payable in respect of every dependent child, including the first. The Netherlands has extended family
allowances for employees to the first child, hitherto excluded. In Spain, rules for the administration of the family bonuses payable as wage supplements by industrial and commercial employers to married workers have been consolidated. Norway and Sweden have introduced children’s allowances for the whole population, payable without a means test, in respect of children other than the first in Norway, and of all dependent children in Sweden; resources come from public funds.

As to other contingencies, the Swiss federal compulsory old-age and survivors’ insurance, covering the whole population, came into force on 1 January 1948. Full benefits are payable after 20 years of contribution, and consist of a fixed basic amount and a variable portion depending on the average rate of the individual’s contribution, but weighted in favour of the lowest income classes. Reduced pensions are paid to persons insured for less than 20 years but more than one year, and immediate pensions to others, subject to a means test. The cost is defrayed by contributions of the insured persons, their employers, if any, the cantons and the Confederation. Self-employed persons pay the entire contribution of 4 per cent. of their earnings, without a ceiling, while, in the case of employees, the insured person and his employer each pay half of this rate. Reductions in contribution rates are granted in favour of self-employed persons with low incomes, without corresponding reductions in pension rates. Persons not gainfully occupied contribute at rates varying progressively with their income. Grants from public federal and cantonal funds will gradually increase, but will not at any time exceed one half of the total annual cost. The pension scheme commences with a considerable surplus left over by the wartime scheme of compensation for loss of wages and earnings suffered by men on active service, and utilises the equalisation funds set up for the administration of that scheme. In the United States, the payment of survivors’ benefits has been introduced as a new feature of the railroad retirement system, the provisions of which also have been liberalised in other respects. As regards unemployment insurance, it may be mentioned that power to legislate on this matter has been transferred from the cantons to the Swiss Confederation, in view of its favourable experience with wartime emergency measures. Compulsory schemes are being prepared in the Netherlands and Uruguay.

Entirely new social security schemes have been enacted or inaugurated in the Dominican Republic, Guatemala and Albania.
The new law of the Dominican Republic insures all employees against physical risks, other than employment injury, by means of tripartite contributions. The Guatemalan Social Security Institution has taken the first step to apply its new general Social Security Act, which will eventually cover the whole gainfully occupied population and all physical risks, by introducing employment injury insurance; special importance is attached to prevention and rehabilitation. Albania has passed a law introducing insurance of employees against all physical risks, much on the lines of the system introduced in Yugoslavia in 1946.

In the United States, the Social Security Administration recommends the establishment of a comprehensive basic national system of contributory social insurance covering all major risks to economic independence and all workers and their dependants threatened by such risks, which would include insurance against loss of wages in periods of disability, both temporary and extended, and the cost of medical care, for which no general provision now exists.

The Government of Egypt has approved in principle a social insurance plan for urban workers and their employers, drawn up by an interdepartmental committee with the aid of experts from the International Labour Office.

Benefit rates have been raised in all parts of the world to meet the rising cost of living and subsistence needs. Only a few examples can be cited.

In Australia, all earlier legislation dealing with income security, other than compensation for employment injury, which is a State matter, has been consolidated and benefits have been substantially increased, maternity lump-sum allowances having been almost trebled and standard pensions raised by 15 per cent.; workmen’s compensation rates have also been increased in some States. In New Zealand, benefits in case of loss of earning capacity due to sickness or unemployment, workmen’s compensation and standard pensions have all been increased by some 12½ per cent.

In Europe, in order to cope with the effects of inflation, France has repeatedly raised all its minimum benefits and granted supplements to current pensions; certain benefits, including family allowances, are kept adjusted to the current level of wages. Ireland has introduced supplements to short and long-term benefits, including unemployment benefits, both under contributory and non-contributory schemes. Benefit for
employees in general have also been raised, notably in Belgium, Czechoslovakia, Italy, Luxembourg, the Netherlands, and Norway, and for miners or seafarers in France, Hungary, Czechoslovakia, the Netherlands, and Norway.

In the Americas, Canadian old-age and employment injury benefits have been improved. Mexico has raised wage class limits and thereby benefits, which are proportionate to wages. The Argentine Republic has increased pensions for particular groups of employees such as railway workers.

In may be noted that the Egyptian plan mentioned above gears the benefit system to the financial system so as to keep benefits in fairly constant proportion to the average wage level. In this way, a depreciation of currency will not destroy, as it has done in many countries, the utility of the contributions of a lifetime.

The preoccupation of increasing and preserving available manpower in industries of particular national importance by rendering these industries more attractive and inducing workers to remain in them is apparent in the policies governing the revised miners' insurance schemes in Belgium, Czechoslovakia and France. Under these, the criterion for the grant of invalidity pensions is permanent incapacity for mining work in particular, and not for suitable work of every kind, as is the rule under the general schemes. Pension rates are heavily weighted in favour of those miners who have spent long periods in underground work, and the pensionable age for these is lower than for other workers, a principle that is also being applied to arduous work in other occupations under the general insurance scheme of France, and to any such work under the general schemes of the U.S.S.R. and Yugoslavia, which include miners. Contributions are made from public funds to miners' insurance even where no such contribution is made towards the general scheme. In Czechoslovakia, non-manual workers in the mining industry, who were formerly insured under the special scheme for salaried employees, have been brought under the same provisions as wage earners; a similar step will be taken as regards salaried employees generally when the reform of the general scheme now under consideration is carried out. In France, miners are encouraged to continue work after the attainment of the minimum pensionable age by the granting of substantial supplements to the old-age pension, as are other workers covered by the general scheme for urban employees. Poland grants more favour-
able conditions to miners under the general scheme. A provident fund for coal miners has been established in India.

In Norway, a welfare fund has been established for seafarers; here, as in the Netherlands, wartime improvements in sickness or employment injury insurance as applied to seafarers, especially those engaged in foreign trade, have been largely confirmed. The principle of extending insurance protection to seafarers left ill abroad has been strengthened. In Norway, benefits in the event of temporary incapacity due to employment injury are the same as those awarded in case of ordinary sickness, both abroad and at home, but are granted without time limit. In the Netherlands, medical care in the event of employment injury is now an insurance benefit and no longer the shipowner’s liability.

France has brought the seafarers’ sickness, maternity and invalidity insurance scheme into harmony with the general scheme for urban workers, and has made its benefits available to foreign seafarers engaged on French ships, subject to reciprocity by the seafarer’s country, within the framework of international conventions. The provisions of the seafarers’ pensions scheme continue to be more favourable than those of the general scheme, and substantial subsidies are granted from public funds.

THE EMPLOYMENT OF YOUNG WORKERS

Shortage of manpower has brought to the foreground the need for a policy of adequate recruitment and effective assimilation of young workers. They must be drawn into essential and productive employment in sufficient numbers to meet immediate requirements and must be trained in sufficient numbers to meet future demands for skilled personnel. Wastage must be cut to a minimum, common forms of waste being the engagement of potentially skilled young workers on dead-end jobs and the indiscriminate recruitment of workers who, if mentally or physically unsuited to the job to which they are put or to the conditions in which they work, may drift unproductively from job to job, absent themselves frequently, or, at the best, work with impaired efficiency.

Such a policy of recruitment and assimilation is, in fact, being evolved in many countries, though the method of approach varies and is to some extent governed by the acuteness of the shortage. Concern that the employment chosen shall be suitable from both
the individual and the social point of view is apparent in the increasing use of vocational guidance methods which seek to relate individual aptitudes to the needs of industry and in various other efforts to draw young people into appropriate productive employment. In the United Kingdom, for example, the low birth rate of the 'thirties and the recent rise in the school-leaving age have combined to diminish the supply of juveniles, as in London, where the juvenile labour force is estimated to have declined by at least 30 per cent. since 1939, in which year vacancies for juveniles were approximately 2 per cent. of the total juvenile labour force, while they are now reckoned at over 15 per cent. Commissions or "working parties", set up in the last few years to investigate the condition of several British industries, have formulated recommendations on the means of rendering these essential industries more generally attractive. Action towards this end has in some cases already produced useful results. In the Lancashire cotton industry a deliberate effort has been made to improve conditions of work and to provide better facilities for training. Some £7 million was spent on the installation of canteens, rest rooms, crèches, air-conditioning, and painting of walls and machinery; rates of pay were improved and hours of work reduced under a five-day week system. In the corresponding period, a substantial increase in juvenile recruitment was recorded: the percentage of school-leavers in the region who entered the industry rose from 9 per cent. in 1944 to 23.6 per cent. in the first months of 1947.

Where necessary, more direct methods have been employed or are contemplated. Czechoslovakia, for example, has established a priority scale of occupations to assist juveniles in their choice of occupation and ensure their effective contribution to their country's recovery and development. At the end of 1947 the Ministry of Labour and National Service in the United Kingdom announced that the younger age groups of those not gainfully occupied or employed would be among the first categories to which the Registration and Control of Employment Orders would apply.

In many countries powers exist to direct labour into needed channels, but, as far as youth is concerned, the Governments have relied predominantly on the enthusiasm of volunteer work brigades which enrol young people from all spheres of activity for a period of weeks or months and employ them on constructive work. Such brigades in Czechoslovakia helped to avert a crisis in
agriculture, and in Albania, Bulgaria and Yugoslavia they have constructed or repaired many miles of roads, railways and bridges.

In the United States the employment of juveniles continued to decline from its wartime peak, though the drop was somewhat less swift during 1947 than in the previous year and the 1939 level has not yet been regained. The emphasis there, as in most countries even where the shortage of labour is acute, is on raising the standards of youth employment at least to the pre-war level.

Whether the policies adopted are dictated by immediate urgency or are part of long-term planning, it is increasingly recognised that the future of productive industry depends to a large extent on the rational use of the juveniles who enter employment. Co-ordination of the administrative agencies dealing with youth questions is one of the methods being adopted by many Governments to achieve this result. The Ministry of Labour and Social Welfare of Belgium, for example, has recently set up within its inspectorate a section with specially appointed staff to supervise the application of all legislative provisions relating specifically to young workers, (i.e., age of admission, hours and night work, holidays with pay, training, health supervision, etc.). Thus, while the particular task of the inspectorate is necessarily enforcement, this section will, in a sense, be promoting a positive policy of youth welfare within industry. In Burma, the Government has set up a Women’s and Children’s Welfare Board to assist it in carrying out the duties, imposed by the new Constitution of the Union, of protecting mothers and infants and ensuring that children are not forced by economic necessity to take up occupations unsuited to their sex, age and strength.

There have been further developments in several Latin American countries, where much has already been done to expand and co-ordinate the services for youth and codify the laws relating thereto. A technical committee on the employment of young people has been established in Chile. The terms of reference are the examination and completion of existing legislation and the definition of the tasks of the various agencies concerned in its application. An experimental project of co-ordination over one area is also envisaged. Panama has now, like Uruguay, Venezuela and Costa Rica, a National Council on Minors. The functions of this Council are chiefly advisory;
in legislation affecting minors it acts as consultant and it is to formulate a legal code, but practical projects are also undertaken. In Cuba, a Children’s Bureau, the setting up of which was a wartime measure, continues to function and comprises law, education, medicine, social service and information divisions.

Similar developments have taken place in various European countries. Czechoslovakia, during 1947, reorganised its youth welfare services, basing them on district youth welfare committees, of which the head of the law court, the school inspector and the medical officer are ex officio members, the other members being experts and voluntary workers. At the provincial and national levels there are similar committees, while a permanent co-ordinating committee, on which all the ministries concerned are represented, is attached to the Prime Minister’s Office. The Ministries of Social Welfare and Health issue directives to the local organisations after consultation with the other ministries. In Denmark, a Minister without portfolio has been appointed, who is to concern herself with the broad social questions of home life and women’s work, including, inter alia, children within the social field and the field of production. In Norway, also, a special Minister for home and family questions has recently been appointed. In Iceland, responsibility for the welfare of children up to the age of 16 years and invalids up to 18 has been vested in a three-member Council for Child Protection sitting in the capital and in a network of child protection committees established in every town. These committees have been specially charged with preventing the employment of children on dangerous or unhealthy work, for overlong hours, or at night.

Further recent evidence of the special attention being paid to young workers is the new legislation providing for them a paid holiday longer than that given to adults. Such a precaution is dictated by the desirability of safeguarding the healthy development of young persons during the years of growth and providing a less brusque transition from school to work. Interest in provisions of this kind was apparent in 1946 but has become more marked during the course of the last year. In Austria the holiday for young workers up to the age of 18 years has been increased from 18 to 24 working days a year; 6 of these days may be taken between 1 November and the end of February. In Belgium workers under 18 years of age now receive three weeks’ holiday with pay, and workers of 18-21 years are given two weeks. The
Board which administers the holiday pay fund is moreover assisted by an advisory committee, on which are represented such bodies as are interested in the wise utilisation of these holidays or are in a position to promote it. In Czechoslovakia, during 1947, a special recovery holiday of two weeks with pay was granted to all workers, while those under 18 years of age were entitled to three weeks. In France, young workers under 18 have been given two days for every month worked, with a yearly maximum of 24 working days, while those over 18 and not over 21 receive 1 1/2 days for every month worked, up to a maximum of 18 days in the year. In Greece, workers under 18 are entitled to 12 days with pay, while in Norway a paid holiday of 18 working days has been granted to both adult and juvenile workers, and at least 12 of these are to be taken between mid-May and the end of September. Under legislation passed in Sweden in 1946, to take effect in 1948, young workers under 18 years will also have the benefit of 18 days' holiday with pay. The employer may split this holiday into two periods, but must grant at least 12 consecutive days to each young person he employs.

**WOMEN'S EMPLOYMENT**

**Women and the Labour Force**

After the fluctuations of the immediate post-war years, the female labour force has increased in many countries and has reached a level considerably higher than in pre-war years. It is already possible to gauge to some extent the long-range effects of wartime developments relating to women's employment. The shortage of labour obtaining in many countries has facilitated the entry into or prevented the withdrawal from employment of many women workers. Indeed, not only has the normal flow of women towards industry been free, but in a number of countries, in view of the demands for labour, women have been urgently called upon to join the labour force. Various methods of recruitment, including many publicity campaigns, have been used during the past year, and efforts have been made, or have been recognised by public authorities as needed, to lighten the burdens of women workers with domestic responsibilities.

In the United States, it was estimated in March 1947 that women had retained 1,000,000 of the 2,500,000 additional
Production jobs into which they were recruited between October 1939 and November 1943. Women represented 28.4 per cent. of the total civilian labour force in September 1947, as compared with 26.0 per cent. in March 1940, and 34.0 per cent. in December 1944, the peak of their wartime employment. In Australia, the turning point in the declining trend in women's employment after the war was June 1947; and by September 1947 there were 629,200 women workers, as compared with 437,200 in July 1939.\footnote{Wage and salary earners in civil employment, excluding wage earners in rural industry and females in private domestic service.} In France, the increase in the volume of the female labour force was noticeable after January 1946. The number of gainfully occupied women in industry, which was 1,665,000 in 1936 (the last census before the war), was 1,810,000 in January 1947, and the average proportion of women to the total labour force, was slightly higher in January 1947 (29.8 per cent.) than in 1936 (28.5 per cent.). The increase in the proportion of women occurred principally in industries which normally used not to utilise female labour to any great extent, such as the metal working (28 per cent.), building (21 per cent.) and wood (12 per cent.) industries. In Switzerland, the number of women workers in establishments covered by the Factories Act rose from 153,108 in 1946 to 170,393 in September 1947. In the United Kingdom, the female labour force (14 to 59 years of age) in manufacturing industries accounted for 2,318,000 in September 1947 as compared with 2,181,000 in June 1939. In Yugoslavia, the Central Committee of Unified Trade Unions of Workers and Employees proposed in November 1947 that a regular, planned mobilisation of women's labour, in collaboration with the Anti-Fascist Women's Front, should be conducted to increase the number of women in industry. In Poland, the three-year plan for 1947-1949 provides for the extension of women's work to assist in filling the gap in manpower caused by the partial extermination of the male Polish population during the war and the occupation, the proportion of women to men in the population as a whole being now 118 to 100.

The demand for women's labour varies greatly from country to country. In some countries there has been no need to induce women to remain in or to take up employment—in Australia, Canada and Switzerland, for instance. In others, various measures are being used to this effect, either under a national
scheme of recruitment or for special industries or occupations; in countries where the labour shortage is particularly acute, both approaches to the problem are used. In the United Kingdom, for instance, women are subject to the general measures controlling manpower distribution, i.e., the Control of Engagement Order, and the Registration for Employment Order, 1947. The latter Order may apply to women of 18 to 40 years of age. In addition, the Government has launched, since June 1947, recruiting campaigns designed especially for women, which have had considerable effect.

Efforts have been made especially to introduce women's labour in industries which customarily do not employ many women. In France, an interesting attitude was adopted by the Minister of Labour when he instructed the departmental authorities to ensure that women and girls are not prevented from entering vocational schools and that efforts are made to recruit female students for trades suffering from a shortage of skilled labour, such as the metal trades. In Czechoslovakia, a list has been circulated of occupations in which women may appropriately be employed, including, among others, the chemical, glass, electrical and woodworking industries. The district labour boards are required to give preference to women in placing applicants for employment.

The imperative need for women workers has brought to the fore once again the necessity for providing special services or making special arrangements for women workers with home responsibilities, and the past year has witnessed the revival of measures which proved effective during the war period. In the United Kingdom, panels will be appointed to consider claims by women for exemption from the Registration for Employment Order on the ground of domestic circumstances and efforts are being made to ensure that the members of the panels have an up-to-date practical knowledge of local conditions and experience of dealing with the day-to-day problems of the home.

In France, the lack of material and labour has prevented the full development, as planned, of services for women workers and their children, such as crèches and nurseries, collective mending and laundry centres and canteens; but the works committees and the women's sections of the trade unions, on which falls the main responsibility for introducing these facilities, have nevertheless made some progress. Similar efforts are being made in Czechoslovakia. In the United Kingdom, where an intensive
campaign will be launched for the recruitment of workers for the cotton industry, the Government has decided to give priorities to the provision of materials needed in nurseries and canteens.

In some countries, the part-time employment of women has taken on new importance, and further development of this type of working arrangement may be anticipated, as, for example, in the United Kingdom, France, Norway and Czechoslovakia. In the United Kingdom, where more than 650,000 women are engaged in part-time work, new schemes of part-time work for nurses have been especially successful. In August 1947, there were more than 3,500 trained nurses and midwives employed part time in hospital service; some of them were under experimental schemes, with carefully planned timetables and conditions of work, that have proved highly successful.

In order to alleviate the constant scarcity of labour in some fields where women's labour is extensively utilised, continuous efforts are being made to improve the conditions of work obtaining in these occupations. In France, measures have been taken to complete the organisation of hospital staff, nurses and social workers and to improve the training, job classification, pay and conditions of work in these professions. In India and the United Kingdom, the recruitment and training of nurses is receiving serious consideration. As regards domestic service, regulations as to conditions of work and employment have been promulgated in Bulgaria. In France, new administrative regulations have facilitated the application of social insurance provisions to domestic workers and, following the general increase in wage rates, their wages have been raised. Wages and conditions of work have been fixed for some categories of workers in the catering industry in the United Kingdom; and in some parts of Canada and the United States, minimum wages have been established or rates have been raised for domestic workers in hotels and restaurants. Since, however, these measures have failed to attract a sufficient number of workers to these occupations, and since some are still at the planning stage and represent long-term policies, the results of which will only appear after a considerable period of time, some Governments have, as a remedial measure, recruited foreign workers, including European displaced persons, for work in these occupations. The main occupations for which women have thus been recruited are domestic service, hospital or institutional domestic work, and work in the textile industry. Such schemes have expanded
considerably during 1947. In the United Kingdom, 28,226 permits had been issued up to January 1948 in respect of foreign domestic workers; during 1947, 3,805 women were brought to the country and placed in “priority” domestic employment, and by November 1947, 5,200 “European volunteer workers”, mostly women, had been placed in the textile industries. More than 1,400 women from displaced persons’ camps in Europe were brought to Canada for domestic work in hospitals and service establishments and, to a small extent, in private homes. A similar scheme has been put into operation also in France.

Equal Pay for Equal Work

The question of the application of the principle of equal pay for equal work for men and women workers was placed on the agenda of the United Nations Economic and Social Council at the request of the World Federation of Trade Unions, which submitted a memorandum on the subject. After considering this question as raised and a resolution adopted by the Commission on the Status of Women, the Council decided to transmit the W.F.T.U. memorandum to the International Labour Organisation, and to invite the I.L.O. to proceed as rapidly as possible with the further consideration of the subject and to report to the Council on the action which it has taken. The Council further resolved to transmit the memorandum to the Commission on the Status of Women for its consideration and for any suggestions it may wish to make to the Council. The Council also invited non-governmental organisations to present their views to the I.L.O. and to the Council.

The question of wages is included in the agenda of the Conference as a separate item for general discussion and this will afford an opportunity for a preliminary exchange of views on this question.

Women’s Organisations

During the period under review, increased activity among national and international women’s organisations, including trade unions, can be reported. As regards trade union activities, two points should be noted. In the first place, women’s membership has been reported as increasing in a number of countries, such as Belgium, Czechoslovakia, France, Italy, Poland (where
women now account for more than one fifth of the total trade union membership) and Sweden (where women represent one sixth of the total membership). In addition, existing women's committees in the trade unions, or organisations of women trade union members, have intensified their work in such countries as Belgium, France, the United Kingdom and the United States, while in other countries, such as Italy and the Netherlands, special sections for women have been created in the trade unions. These committees or sections are devoted primarily to initiating action on the problems of women workers, including equality of treatment, wage rates, maternity protection, welfare (crèches, nurseries and canteens) and the recruitment of women members.

Considerable activity has been shown by national and international women's organisations, some of which held during the past year their first post-war general conferences, among these the International Alliance of Women, the International Council of Women, the International Federation of Business and Professional Women, the International Federation of University Women, the Young Women's Christian Association and other organisations which are interested in the economic status of women workers and together represent a considerable body of organised public opinion. The programmes and resolutions adopted at these conferences dealt more particularly with the inequality of treatment of men and women workers and the problems of women workers with domestic responsibilities.

**INDUSTRIAL SAFETY**

During the past year the industrial safety movement has furnished ample evidence of its vitality and vigour despite the manifold difficulties of the times and the preoccupation of Governments with grave national and international problems. The volume of new safety legislation is substantial, inspection work is being intensified, and several national safety associations are reviving or extending their activities.

**Legislation**

In the field of legislation special attention should be drawn to the monumental Belgian Code of general regulations for the protection of labour, publication of the five parts of which,
consisting of no fewer than 850 sections, was concluded in 1947. It is probably the most voluminous and comprehensive industrial safety and health code in existence, and bears striking testimony to the complexity of the subject.

Considerable legislative activity has also been shown in France, where a score of new regulations have appeared in the course of eighteen months. Some of these regulations, such as those on industrial medical services, break new ground, and others, those on works safety committees for example, are illustrative of the increasing attention now being paid to the human factor in industry.

Revision of the Swedish labour protection legislation now under consideration is likely to result in a very extensive broadening and strengthening of the provisions relating to safety and health, and a radical reorganisation of the Industrial Inspectorate. Here again greater stress is being laid on the physical and psychological characteristics of the worker as factors in accident causation. Greater responsibilities from the safety standpoint are also being placed on manufacturers and vendors of machinery.

Noteworthy innovations have been made in the recent consolidation and amendment of the New Zealand Factories Act, and the Australian States of New South Wales and Western Australia have recast their mining legislation.

There have also been developments in the Near and Middle East. Lebanon and Syria have issued Labour Codes containing safety and health provisions, and Afghanistan has incorporated a comprehensive set of safety rules in recent regulations concerning work and workers in industrial undertakings.

In non-metropolitan territories, safety regulations are appearing with increasing frequency. Curaçao, Cyprus, French West Africa, Kenya and Surinam are examples of territories that have recently issued such regulations.

Among topics of special interest that have lately formed the subject of legislation, mention may be made of foundries (New South Wales and Norway), garages, automobile service stations and motor-vehicle repair shops (Saskatchewan), liquefied petroleum gas distributing plants and pressure vessels (Saskatchewan), aerial ropeways (France), and grinding of magnesium articles (United Kingdom).
Voluntary Activities

National safety associations are now doing good work in a large number of countries. Safety activities have been revived in countries that were occupied during the war, for example, in Belgium and Poland. In both these countries great care has been taken with the production of new safety magazines. The British Royal Society for the Prevention of Accidents, which recently celebrated its silver jubilee, is extending its activities and has also issued a useful new safety magazine.

The system of developing safety rules and standards by joint conferences of the inspectorate and employers’ and workers’ organisations continues to prove its worth in the United Kingdom. Recent activities of these committees include the formulation of proposals for improving safety and health conditions in the cotton and woollen industries, for the safeguarding of milling machines and power presses, and for the prevention of accidents in paper and pulp mills.

International Developments

A recent event of great international importance is the formation of the International Organisation for Standardisation. Collaboration between the I.L.O. and this Organisation has been welcomed on both sides and will, it is confidently hoped, be developed in many practical ways. For example, in such matters as the standardisation of machine protection, colour and other identification markings for piping, compressed-gas cylinders, etc., and the labelling of toxic substances, such collaboration can give most valuable results.

In conclusion, it may be said that progress in the various branches of accident prevention is being made in many parts of the world; but the world total of industrial accidents, amounting to several million a year, is still enormous, the loss to production is correspondingly great, and for this as well as for humane motives, the efforts made need to be both extended and intensified.

Agriculture

The food problem in Europe and Asia continued during the past year to be a major preoccupation of the Governments and peoples of these continents. The damaging effects of the war on
agriculture do not seem to have been alleviated to any considerable extent despite continuous national and international efforts to restore war-devastated areas and to make good the losses and dislocation of manpower. The scarcity of food is not only affecting the health of the populations, but also has important repercussions upon economic stability in general. The situation has been further aggravated by the recurrence of snow, floods and drought in many important agricultural regions, and these adverse weather conditions have resulted in prospects of poor crops for the year. It is becoming understood that the agricultural needs of Europe and those of Asia, Africa and Latin America are in large measure complementary, and that worldwide collaboration and assistance is essential for the revival not only of agriculture, but of economic life as a whole. More attention is also being paid to conditions in underdeveloped countries, whether independent or dependent. The need for collaboration and assistance has found practical expression in the European Recovery Programme. The Committee of European Economic Co-operation has drawn attention to the agricultural situation in the participating countries, and it has set a target for 1951, stating that the national programmes and measures for material assistance are designed to achieve in that year among other things, the restoration of pre-war bread-grain and other cereal production with large increases above pre-war levels in sugar and potatoes, some increases in oils and fats, and as rapid an expansion in livestock products as supplies and feed will allow.

Manpower Problems

Most of the measures previously taken by various Governments for the better utilisation of the available farm labour have been maintained or modified to meet new circumstances. These measures include regulations to permit a longer working day, training of inexperienced persons, employment of women and children, importation of farm labour from foreign countries, etc.

The efforts to stabilise employment in agriculture have been continued, and a number of legislative measures have been introduced, such as the extension of social insurance to agriculture, with a view to raising the social level of farm workers and rendering agricultural occupations more attractive. Agricultural employment in 1947 was in fact higher than in the
preceding year in, for example, France, the United Kingdom and the United States. The general rise in food prices has also in many countries increased the relative income share of the peasant and thus opened the way for more stable employment in agriculture.

The problem of agricultural manpower nevertheless remains. Farm labour shortage in some parts of Europe, such as Czechoslovakia and France, still stands in the way of full agricultural production, while unemployment and underemployment are still problems that preoccupy public authorities, for example in Italy and the Balkan countries. Czechoslovakia has endeavoured to ease the situation by the employment of brigades of workers from towns, by immigration from adjoining countries, by the adjustment of wage rates to those ruling in industry, and by such measures as the preferential allocation of rationed commodities to agricultural workers.

The continuing expansion of manufacturing and urban employment in some of the countries of the American continent is greatly affecting the supply of labour available to agriculture and in certain cases has resulted in an acute labour shortage. In Brazil, for instance, the attraction of city work and wages has denuded the region of São Paulo of agricultural manpower to such an extent that an attempt is being made to remedy the situation by the introduction of immigrants from Europe. Uruguay, too, is facing rural depopulation.

The employment situation, set against the background of a precarious world food situation, has prompted both North and South American countries to take additional measures to ensure the greatest possible efficiency in agriculture and better economic opportunities for farm workers. Canada and the United States have taken steps to ensure the maximum possible use of the available farm labour through the maintenance and expansion of farm placement services and information centres. In the United States public employment offices serve the entire labour market, both agricultural and non-agricultural, and as from 1 January 1948 information centres will be maintained on the major migrant routes to assist the movement of men and machines to the areas where they are most needed. The less developed countries of the Americas have in the past year paid particular attention to the improvement of rural practical and technical education and to the fostering of farm mechanisation, agricultural clubs and demonstration centres. In the Dominican
Republic, for instance, this programme has been integrated with
the provision of rural credits for the establishment of trained
personnel on the land.

Wage and Price Policies

Important developments in agricultural wage policy are
rapidly rendering the practice of minimum wage fixing more and
more general.

Legislation providing for a national minimum wage in the
United Kingdom has been supplemented by the Agricultural
Wages (Regulation) Act, 1947, which permanently vests powers
of fixing minimum wages in agriculture in the Central Wages
Boards for England and Wales and for Scotland. The Boards
have power to define what is overtime employment and to
evaluate or limit payments in kind. The restrictions which
previously prevented the Boards from granting agricultural
workers holidays with pay of more than one week each year or
of more than three consecutive days have been repealed. The
Argentine Republic introduced in November 1947 a comprehen-
sive Decree stipulating wage rates and standards of work in
many harvesting and storage operations. In India, the Govern-
ment of Bombay in November 1947 fixed minimum wages for
baling, grass-cutting, and harvesting work.

While action has been or is being taken in most countries in
regard to wage fixing, important developments are also to be noted
in respect of setting standards of working hours in agriculture.
Recent examples may be found in Australia where, by decision of
the Commonwealth Arbitration Court, the 40-hour week has
been adopted as the standard working week and has been
extended to workers in the dairy industry. In France, an Act
promulgated in March 1948 fixes the yearly hours of work in
agriculture at 2,400, to be distributed over a period of 300
working days; it also provides for overtime payment and
weekly rest.

The general trend towards assuring a reasonable wage level
to agricultural labour has its counterpart in the action taken in
many countries to assure a definite market and reasonable
income to the producers of various agricultural commodities.
In the United Kingdom, the Agriculture Act of 1947 has marked
the beginning of a new era in British agriculture. The purpose
of the Act is to promote and maintain, by the provision of
guaranteed prices and assured markets for certain products, a stable and efficient agricultural industry capable of producing such part of the nation's food and other agricultural produce at minimum prices as is consistent with proper remuneration and living conditions for the farmers and workers in agriculture and an adequate return on capital invested in the industry.

Guaranteed prices in respect of important commodities continue to operate also in many other countries of the world. The question has received consideration in India; and legislation of July 1947 in New Zealand now gives to representatives of producers in the dairy industry a place in the newly constituted Dairy Industry Commission, whose function it is to determine the Government's guaranteed price for dairy produce and to market and sell all dairy produce to the best advantage.

As regards price policy in the international field, an International Wheat Agreement was signed early in March 1948 in Washington by 36 countries, which constitutes a flexible multilateral contract for five years containing no restrictive measures and providing for no limitation of acreage nor for any formal export or import quotas. It is hoped that the security offered to the producers will encourage production and that sufficient supplies will be made available to the consuming countries.

**Land Tenure**

Schemes of reform of land tenure and land relationships continue to be introduced by Governments in various parts of the world. Such schemes of agrarian reform usually form a part of the general plans adopted by Governments for general economic rehabilitation and expansion. All these endeavours, however, seem to reflect the conviction that it is necessary to ensure greater security of tenure to the farmers, to promote peasant ownership and to combat agricultural unemployment and underemployment with a view to raising the level of agricultural productivity and achieving higher standards of living in rural areas.

In much of the Old World, in eastern Europe, in India and China, preoccupation with land reform has taken precedence in public agricultural policy. In India, reduction of rent and debts in conjunction with a movement towards the abolition of the zamindari system of tenure has received great attention; plans for the extension of the area under cultivation for food
crops, for example by irrigation and flood-protection works, and for bringing about an increase in yields by the use of modern agricultural practices are also envisaged. In China, since the end of the war with Japan, redistribution of the land through Government repurchase or requisition has been coupled with a policy of extension of loans to tenant farmers and the institution of co-operative farming, ranging from the co-operative use of equipment to the pooling of labour and of property.

In the United Kingdom, the Agriculture Act of 1947 referred to above lays down rules and principles for good estate management and husbandry, and also defines a new small-holdings policy which marks a step forward in regard to land ownership and State intervention in the interest of efficient production. It also provides for an elaborate mechanism for the application of the Act.

Some countries of eastern Europe have introduced economic plans aimed at increasing industrial and agricultural production beyond pre-war levels by the extensive use of machinery and modern techniques. Plans of various duration appear to cover all the different aspects of agriculture and to involve a considerable change in land ownership and relationships, in the methods of cultivation and irrigation, in the direction of manpower, etc. Co-operative farming is also officially sponsored in connection with land reforms in eastern Europe, notably in Hungary and Bulgaria.

Some countries, such as Canada, Australia and New Zealand, continue to apply and extend their settlement schemes for demobilised men. The active operation of the programme undertaken by the United States Department of Agriculture for the placement of workers on the land has recently come to an end. As a result of this programme the agricultural labour force has been increased by several millions of individuals.

**Co-operation**

New developments in the organisation of wage earners in their capacity as consumers form one of the outstanding trends in the record of co-operation during the period under review. This is especially the case in countries where rising living costs have adversely affected the buying power of incomes. In the United States and Canada there has been a marked accession
of interest in consumer co-operation among industrial workers, strongly encouraged by their trade union organisations. In Latin America, notably in Brazil and Peru, many new consumer co-operatives have been formed. In Poland, the Congress of Trade Unions has affirmed that every trade unionist should also be a co-operative member. In Turkey, trade unions are expressly permitted, under a new law, to promote co-operatives of different kinds. In Malta, the establishment of co-operative stores has been the object of study by the unions, in Natal (Union of South Africa) Natives have set up a chain of consumer co-operatives, and in Burma the Government itself is sponsoring a scheme for a large network of co-operative stores.

Another significant development in co-operative-labour relations is the progress of co-operative organisation among the workers as industrial producers. In France and Italy, where workers' productive and labour contracting co-operatives have long been firmly rooted, the number of such societies has notably increased since the war. Co-operative organisation among handicraftsmen in France is likewise growing. In Czechoslovakia, both workers' productive and handicraftsmen's co-operatives are growing rapidly. In Yugoslavia, the number of handicraftsmen's co-operatives now far exceeds the pre-war figure and is still increasing, while an ever-growing number of craftsmen are pooling their resources in larger productive co-operatives. In Poland, the co-operative workshops number well over 2,000, and much effort is being devoted to the establishment of productive co-operatives in the territories occupied since the war. The artisans' and productive co-operatives in the three western zones of Germany are reported to be reassuming their old functions and entering new fields of manufacture. Nearly one million persons are employed in the 11,000 "industrial" co-operatives of the U.S.S.R., which are rapidly expanding the scope of their operations. A campaign for the formation of new societies on the principles of co-operative copartnership has been launched in Great Britain.

In America and Asia the same trend is evident. In Mexico, where workers' productive co-operation has old traditions, co-operatives are now responsible for 70 per cent. of the nation's road transport and are prominently represented in the sugar, salt and building industries, among others. The Central Co-operative Administration in China reports that industrial productive co-operation has developed markedly in a number of provinces.
Transport and workshop co-operatives as well as cottage industries are being promoted in several provinces of India.

Co-operatives and trade unions sometimes collaborate in joint enterprises, such as for insurance in Sweden, Switzerland and Germany, and for banking in Switzerland. Perhaps the most outstanding example of such partnership comes from Palestine, where members of the General Federation of Jewish Labour are automatically members of the general Co-operative Association of Jewish Workers, which organises co-operative agricultural settlements and rural supply, marketing and consumer societies, credit, labour contracting, building and housing co-operatives, and transport and workers’ productive societies.

Co-operation is adaptable to serving the needs of different social and occupational categories, and has thus made marked strides among farmers and fishermen. The successful marketing and purchasing organisations among farmers in many countries, e.g., Canada, the United States, Australia, New Zealand and the Scandinavian countries are already well known. A noticeable feature of recent developments has been the advance of joint farming, either among small proprietors pooling and working their land in common or among farm workers for whom land has been provided. Such methods have already been practised in Italy, Mexico (the ejidos) and among the Jews in Palestine. The movement has also been making considerable progress in Bulgaria, Hungary and Yugoslavia. Under an Act passed in 1947, the British county councils are empowered to promote co-operatives for various purposes, including joint farming, among smallholders; and in Sweden the Government has introduced a Bill to facilitate the formation of joint-cultivation societies among farmers. In India, following the recent large population movements, attention is being paid to the organisation of co-operative farms in the rehabilitation of displaced persons; co-operative farming is also being applied in connection with the resettlement of ex-service men. In Tennessee (United States), also, a big co-operative farm project for ex-service men has been planned by the competent authorities, while in Saskatchewan (Canada) co-operative farms are being encouraged by the Department of Co-operation. In Chile, a number of co-operatives have been founded among farmers working the holdings provided by the Land Settlement Fund, and in Ecuador, Colombia and Bolivia, trade unions have been
urging the development of co-operative farming. In order to rationalise cultivation, small farmers in some countries, such as Czechoslovakia, Denmark and Sweden, are forming co-operative machinery stations.

Well-established fishermen's co-operatives (e.g., in Canada) continue to give evidence of their success. In Norway, where the movement has been fostered by the fishermen's trade union, there is now a large network of local and central organisations, especially in marketing, and rapid progress is being made. In Finland, a national fish marketing co-operative has been set up; in Sweden, the Government has asked power to grant fishermen's marketing societies exclusive wholesaling rights in their respective areas; and in Hungary, a State Fisheries Office has been created with the object, among others, of promoting fishermen's co-operatives. In Italy, the number of fishermen's societies is growing rapidly. Co-operatives are a dominating element in the fishing industry of Mexico, and a marked revival of interest in co-operative marketing is apparent among fishermen in Australia.

Co-operation is making a substantial contribution towards solving the worldwide housing problem. In Denmark, the Netherlands (where a law is also being prepared to stimulate the erection of collectively owned apartments), Sweden and Switzerland, large-scale projects are being planned or put in hand. In Poland, the authorities are relying very largely on the co-operatives for the restoring and erecting of dwellings, in Norway the young national federation of housing co-operatives is making vigorous progress, and in Hungary a national house-building co-operative is to be set up. Considerable activity is also being displayed by housing co-operatives in Australia, Colombia, Cuba, Palestine and the United States.

The co-operative movement has also shown its versatility in several other fields. Thus, health co-operatives continue to serve a useful purpose in Yugoslavia, while medical and hospital schemes are making great progress in the United States (where a national federation has been formed) and in Japan; special forms of children's insurance and endowments have been evolved by the co-operative insurance societies of Sweden; and co-operative laundries are extending widely in Denmark and Sweden. Co-operatives have been making important contributions to meeting recreational and cultural needs in such countries as Australia and New Zealand (provision of community ameni-
ties), Czechoslovakia (theatre, publishing and folk art societies), Denmark (a nation-wide theatre organisation), and the United Kingdom (hotels, holiday homes and camps).

The signs of post-war recovery mentioned in last year's Report have been confirmed in the subsequent period. In Europe (e.g., Great Britain, where the consumer co-operative membership has risen to 10 million) and in such war-ravaged countries in Asia as Burma, China (where the total membership of various types of co-operatives is now estimated at 20 million) and the Philippines, the movement is rapidly regaining or even surpassing its pre-war strength, and it has made a favourable start in places from which it was formerly absent, such as Albania and Malta. Examples of official interest in or encouragement of co-operation continue to be given. In Hungary, legislation has been passed facilitating the creation of a national central co-operative union, and in Austria and Germany measures have been taken to restore to the co-operatives property seized by the Nazis. A department for co-operative development has been created in the National Bank of Costa Rica, a law favourable to agricultural co-operatives has been passed in Cuba, and co-operation has been included in the new Constitutions of Bulgaria and Venezuela. The teaching of co-operation is compulsory in the public schools of Buenos Aires Province (Argentina), and school co-operatives are widely promoted by the authorities in Brazil.

The Government of Iran is anxious to promote co-operation in various forms and, as a result of studies undertaken with technical assistance from the I.L.O., now anticipates that practical steps may be taken to this end. In China, co-operation is accorded an appreciable place in the country's economic reform plan. A Ministry of Food and Co-operation has been created in Ceylon and a Department of Co-operation in Egypt. Co-operation figures in the ten-year development plans of several British colonies, an adviser on co-operation has been appointed to the Colonial Office in London, and Native co-operatives have bright prospects under the scheme for intensifying the production of vegetable oils and seed oils in the British West African colonies. An official commission to study the possibilities of co-operation among the Natives has been set up by the authorities in the Belgian Congo.

Internationally the co-operative movement has been active in various fields. The International Co-operative Alliance has
been heard by the Economic and Social Council of the United Nations (on the control of world oil resources) and by the United Nations Conference on Trade and Employment. The International Co-operative Petroleum Association has commenced business operations, the international federation of agricultural purchasing and marketing co-operatives, "Interco-op", has resumed its activities and doubled its membership, and a joint purchasing organisation has been formed by the co-operative dairy organisations in Denmark, Finland, Iceland, Norway and Sweden. The interest with which the movement is following international economic developments is demonstrated by the formation of a joint committee among the co-operative organisations of Belgium and the Netherlands to study problems affecting the co-operative movement within the framework of the Benelux customs union.

While co-operation is thus seen to be making great strides in many directions, it is still far from reaching the limit of its potential usefulness for economic and social amelioration. Highly developed in some countries, it has still vast scope in others, where it could become an important agent for reconstruction and welfare among large rural and urban groups. This was recognised by the adoption of resolutions calling for intensified effort by and on behalf of co-operation at the Preparatory Asian Regional Conference of the I.L.O. and the Regional Meeting of the I.L.O. for the Near and Middle East last autumn. The implementation of these resolutions should afford opportunities of fruitful collaboration between the I.L.O. and the co-operative movement in the countries concerned.
CHAPTER III

THE ACTIVITIES OF THE I.L.O.

Constitution of the International Labour Organisation

The Conference will no doubt learn with great satisfaction that the Instrument for the Amendment of the Constitution of the International Labour Organisation, which was adopted by the Conference at its 29th Session in Montreal in 1946, came into force on 20 April 1948, the requisite number of ratifications or acceptances having been received from two thirds of the States Members of the Organisation, including at least five of the eight States of chief industrial importance. Since that date a further Instrument of Ratification has been received, bringing the total to 38. Thus the developments which began at Philadelphia and were carried on at Paris, London and Montreal have been brought to a successful conclusion. By their willing and speedy acceptance of the new obligations which are now placed upon them under the revised Constitution, Members have once again reaffirmed their faith in the Organisation and in the vital contribution which it can make to the wellbeing of the peoples of the world.

Composition of the Organisation

Since the publication of the Report of the Director-General to the 30th Session of the Conference there have been several changes in the composition of the International Labour Organisation. It will be remembered that during that Session, on 24 June 1947, Austria was readmitted to the Organisation after the Government had communicated to the Director-General its formal acceptance of the obligations of the Constitution of the Organisation. Further, on 16 June 1947 Yugoslavia gave notice
of withdrawal from the Organisation. According to the Constitution such notice takes effect two years after the date of its reception by the Director-General, subject to the Member State in question having at that time fulfilled all obligations arising out of its membership.

Pakistan and Syria have become Members of the International Labour Organisation by making a formal communication accepting the obligations of the Constitution, in accordance with the procedure for acquiring membership which is open to Members of the United Nations. In making this communication, the Government of Pakistan also indicated that it accepted the obligation to observe the international labour Conventions ratified by India before 15 August 1947, which of course applied to the area now known as Pakistan before the two new Dominions of India and Pakistan came into existence. It should be added that both Pakistan and Syria also formally accepted the provisions of the Instrument of Amendment, 1946, which at the time of their entry into the Organisation was in process of ratification but had not yet come into force. The Conference will certainly wish to extend a warm welcome to these two new Members, whose participation marks a step towards that universality of membership which the Organisation has always sought.

There is good reason to hope that the membership of the Organisation will be still further strengthened in the near future. The Government of the Republic of the Philippines has officially informed the Director-General of its decision to accept membership, and as soon as the concurrence of the Senate has been obtained the necessary formalities will be completed.

On 19 April 1948 the Union of Burma was admitted as a Member of the United Nations and on the same day the Foreign Minister informed the Director-General by telegram that the formal application for the admission of the Union of Burma as a Member of the International Labour Organisation had been despatched.

On the occasion of the attainment of Ceylon's independence the Director-General sent a message of greetings and goodwill to the Prime Minister, assuring him that in the exercise of those full international responsibilities which independence involved Ceylon would be able to count on all the assistance which it might be in the power of the International Labour Office to afford, and venturing to express the hope that Ceylon would shortly apply for membership in the I.L.O. In a reply dated 18 March 1948 the Prime Minister assured the Director-General
that "Ceylon offers her wholehearted co-operation in the achievement of the aims and the ideals" of the I.L.O.

The Conference will no doubt learn with great satisfaction of the action taken or proposed by the Republic of the Philippines, the Union of Burma, and Ceylon, and will wish to express to these countries its keen desire to welcome them into the membership of the International Labour Organisation at the earliest possible moment.

CONVENTIONS AND RECOMMENDATIONS

As anticipated in last year's Report, there has been an increasing number of ratifications of Conventions. The following 26 ratifications have been registered by the Office during the last 12 months.

**Egypt:**
- No. 41 — Night Work (Women) (Revised)
- No. 45 — Underground Work (Women)

**Finland:**
- No. 22 — Seamen's Articles of Agreement
- No. 53 — Officers' Competency Certificates
- No. 62 — Safety Provisions (Building)
- No. 63 — Statistics of Wages and Hours of Work

**France:**
- No. 53 — Officers' Competency Certificates
- No. 54 — Holidays with Pay (Sea)
- No. 55 — Shipowners' Liability (Sick and Injured Seamen)

**Italy:**
- No. 35 — Old-Age Insurance (Industry, etc.)
- No. 36 — Old-Age Insurance (Agriculture)
- No. 37 — Invalidity Insurance (Industry, etc.)
- No. 38 — Invalidity Insurance (Agriculture)

**Netherlands:**
- No. 9 — Placing of Seamen
- No. 58 — Minimum Age (Sea) (Revised)

**New Zealand:**
- No. 10 — Minimum Age (Agriculture)
- No. 50 — Recruiting of Indigenous Workers
- No. 59 — Minimum Age (Industry) (Revised)
- No. 60 — Minimum Age (Non-Industrial Employment) (Revised)
- No. 64 — Contracts of Employment (Indigenous Workers)
- No. 65 — Penal Sanctions (Indigenous Workers)
Poland:
No. 77 — Medical Examination of Young Persons (Industry)
No. 78 — Medical Examination of Young Persons (Non-Industrial Occupations)
No. 79 — Night Work of Young Persons (Non-Industrial Occupations)

Sweden:
No. 75 — Accommodation of Crews

United Kingdom:
No. 63 — Statistics of Wages and Hours of Work

Though the submission to the competent authorities of Conventions adopted at recent sessions of the Conference has not yet led to any large number of ratifications, information reaching the Office gives reason to expect that several countries, including France, Italy, Luxembourg and the United Kingdom, will shortly proceed to further ratifications. The total number of ratifications registered is now 971.

In addition, Convention No. 80 for the revision of the final articles of Conventions has come into force and has already received 21 ratifications; Conventions Nos. 64 and 65 concerning written contracts of employment and penal sanctions (indigenous workers) are due to come into force in July 1948, which will bring the number of Conventions in force to 56.

The Office has received from States Members a large number of reports concerning the action taken on the Recommendations and Resolutions adopted at recent sessions of the Conference, more especially at the Maritime Session held in Seattle in 1946. These reports show the growing influence which labour standards established by the Conference exert on the evolution of national legislation.

Meetings of Conferences and Committees

A brief survey of the work of the conferences and committees of the International Labour Organisation which have met during the past year gives an indication not only of the wide range of questions which are now under active consideration by various organs of the I.L.O. but also of the worldwide character of the work of the Organisation, which has held meetings in cities as widely separated as New Delhi, Istanbul, Stockholm, Geneva, Rio de Janeiro and Montreal. The Governing Body has carefully reviewed the resolutions adopted
at these various meetings and has taken the necessary decisions to give them practical effect wherever immediate action was required.

The Preparatory Asian Regional Conference

The Preparatory Asian Regional Conference of the International Labour Organisation was held in New Delhi from 27 October to 8 November 1947, with Mr. Jagjivan Ram, Minister of Labour in the Government of India, as President. In addition to a delegation from the Governing Body which consisted of the Chairman of the Governing Body, Sir Guildhaume Myrddin-Evans, and six other members, delegations from Afghanistan, Australia, Burma, Ceylon, China, France, Cambodia, Cochin-China, French Establishments in India and New Caledonia, Laos, the United Kingdom, India, the Malayan Union, the Netherlands (Indonesia), New Zealand, Pakistan, Siam and Singapore, as well as observer delegations from the United States of America and Nepal participated in the proceedings of the Conference. Two representatives of the United Nations and one representative of the Interim Commission of the World Health Organisation attended the Conference. The members of the Conference included the Minister for Industry and Labour in the Government of Burma; the Minister for Labour and Social Affairs of Cochin-China; the Minister of Justice of Laos, the Minister for Industry and Supply in the Government of India, the High Commissioner for Pakistan in India, as well as several Ministers of Indian Provinces and States. The total membership of the Conference was 223.

The opening sitting of the Conference was addressed by Mr. Jawaharlal Nehru, Prime Minister of India, who stressed the importance of determined efforts to secure social justice in the present phase of political and social evolution in Asian countries and the role of the International Labour Organisation in assisting these countries in the pursuit of this ideal.

The proceedings of the Conference demonstrated the urgent need for the intensification of the activities of the International Labour Organisation in Asian countries and for giving adequate attention to economic development, including, in particular, the development of industry and the improvement of conditions in agriculture in these countries. A large number of resolutions were adopted by the Conference. Some of these deal with ques-
tions of interest not only to the International Labour Organisa-
tion but to other specialised agencies and to the United Nations
generally, as well as to some of the regional and other bodies
which have been set up by and form part of the United Nations.
Instances are the resolutions concerning increased production,
the economic policies necessary for the attainment in Asia of the
social objectives of the International Labour Organisation, the
development of a social security system, rural labour and related
problems, housing, small-scale cottage and handicraft industries,
co-operation and statistics in Asian countries. These resolutions
have been referred by the Governing Body of the International
Labour Office to the United Nations and the other inter-
national organisations concerned, for their information, and it is
hoped that, as a result of consultations between representatives
of these organisations and of the International Labour Organisa-
tion, it will be possible to provide the next Asian regional
conference to be held under the auspices of the I.L.O. with
some indication of the international action which is being taken
on the lines recommended by the New Delhi Conference. An
outstanding feature of the discussions at that Conference was
the desire shown by the Asian representatives for a real inter-
national effort to be made to raise social standards in Asia.
They expressed not only their readiness to receive assistance from
countries outside the region which are in a position to help
Asian countries in respect of social progress, but their willingness
to make their own contribution to international solidarity. It
is therefore of the utmost importance to take concerted inter-
national action in respect of social developments in Asia and to
review from time to time the progress which is being made in this
respect, with a view to ensuring that such resources as are
devoted to the purpose produce the maximum results.

The other resolutions adopted by the Conference have been
brought to the special attention of the Governments concerned.
Among them may be mentioned those concerning the placing of
I.L.O. Conventions and Recommendations before the national
legislatures, tripartite organisations and other appropriate
arrangements for the determination of social policy in Asian
countries, and the adoption by Asian countries of programmes of
action over a period of years with a view to improving regional
social standards and bringing them gradually into confor-
mity with general international standards determined by the
International Labour Conference, as well as those concerning
social security, employment service, recruitment and vocational training, wage policy and family budget enquiries, conditions of work and labour welfare, the protection of children and young persons, the employment of women and the protection of maternity, plantation labour and aboriginal tribes and untouchable castes in Asian countries.

In pursuance of the New Delhi resolutions, the Governing Body has accepted the invitation of the Government of Ceylon to hold in that country a conference on labour inspection in Asian countries, preparatory to the consideration of labour inspection as one of the main questions on the agenda of the First Asian Regional Conference, to be held in China in 1949.

While the International Labour Organisation is anxious to assist Asian countries by every means in its power in the promotion of social justice, the New Delhi Conference has shown how valuable it is for the accredited representatives of these countries to get together, to consider their particular social problems and determine the steps to be taken to deal with them. In this respect, perhaps more than in any other, the New Delhi Conference, which can in every way be hailed as a most successful one, served a very useful purpose. It was, however, only a starting point, and the social edifice of which it gave a glimpse will have to be constructed by sustained efforts extending over a long period.

Regional Meeting for the Near and Middle East

The Regional Meeting for the Near and Middle East was originally convened to meet at Cairo on 24 November 1947, with Mr. T. B. Balta, Minister of Labour of Turkey, as President. Owing to the unfortunate outbreak of cholera in Egypt the Director-General, after consulting the officers of the Governing Body, decided to approach the Turkish Government with a view to holding the meeting in Turkey. This suggestion was readily agreed to by the Turkish Government, and the meeting was held at Istanbul on the date originally fixed.

The Governments of Egypt, Iran, Iraq, the Lebanon, Syria and Turkey were represented at the Meeting, which also comprised a tripartite delegation from the Governing Body and observers from Afghanistan, the United States of America,
France, Greece, India, Pakistan and the Union of South Africa. The United Nations and the Food and Agriculture Organisation were also represented by observers; the United Nations Educational, Scientific and Cultural Organisation and the World Health Organisation had also nominated representatives, but they were unable to attend.

The Near and Middle East Meeting was the first of its kind held in this region by the International Labour Organisation. Intended as a preliminary technical meeting with a view to paving the way for a tripartite conference at a later date, it provided an opportunity for an exchange of views and experience on the general social and economic questions of the region and served to indicate the most urgent social problems in the countries concerned.

Four resolutions on social policy and its economic background were unanimously adopted. The resolution on social policy, together with those on social security and agriculture, point out some of the urgent social problems of the region. The first resolution covers a number of subjects and draws up an outline of the labour policy deemed most appropriate at the present stage of development in these countries. It takes note of the development of labour legislation and practices so far achieved and recommends a future policy of action in this field. It recommends, among other things, the establishment in each country of a national labour department adequately staffed and equipped; the maintenance of an adequate system of labour inspection; the development of employment services; the protection of children and young persons and the regularisation of their employment with a view to raising the conditions of work to the level of international standards; the protection of women workers and maternity; the fixing of minimum wages; the development of co-operative organisations; and the guaranteeing of freedom of association.

The Meeting adopted a detailed resolution on social security and a resolution concerning the conditions of life and work of the agricultural worker which envisages close co-operation with the F.A.O. in implementing the suggestions which it contains. Conscious of the close inter-relationship of economic and social questions, the Meeting adopted a resolution indicating the economic policies which it considered necessary to further the social programmes it envisaged, and invited the Governing Body to draw the attention of such international organisations
as may have primary responsibility for international action in respect of the suggested measures to the views expressed, and to consult with them as to the further measures or studies relevant to the raising of the standards of living of the Near and Middle East which may be found appropriate.

Both the Preparatory Asian Regional Conference and the Regional Meeting for the Near and Middle East adopted resolutions concerning the intensification of the work of the I.L.O. in their respective regions that indicate the manner in which it is anticipated that the regional activities of the Organisation will develop within the framework of its general international activities. These resolutions contemplate periodical regional conferences, the preparation for such conferences by visits to the countries of the region of missions of the International Labour Office, the holding of general I.L.O. meetings from time to time in the region, the extension of the I.L.O. network of national offices and correspondents, the recruitment as members of the central staff of the International Labour Office of an adequate number of nationals from the different regions having adequate experience of their social and economic problems, the issue of appropriate publications in the vernacular languages of the different regions, the extension and development of the facilities of the International Labour Office for according the Governments at their request appropriate assistance in connection with the framing of laws and regulations, the improvement of administrative practices and systems of inspection, and the development of information and research services. The resolution adopted by the New Delhi Conference also requested the Governing Body to consider the advisability of constituting an Asian Advisory Committee to advise the Governing Body on Asian questions and on the Asian aspects of general questions, and authorising the Director-General to establish a small co-ordinating secretariat to facilitate the implementation of the programme of action of the Organisation in Asia. In the discussions which have taken place on the subject the Governing Body has indicated the great importance which it attaches to the development of a vigorous programme of regional action within the general framework of the International Labour Organisation in a manner which will give a full measure of satisfaction to the needs and aspirations of the various regions of the world and enable them to draw upon the worldwide experience of the Organisation for the solution of regional problems.
Sixth International Conference of Labour Statisticians

The Sixth International Conference of Labour Statisticians was held in Montreal from 4 to 12 August 1947. It was attended by official representatives from 25 countries, including senior labour statisticians from 16 countries, and by representatives of the United Nations, the Food and Agriculture Organisation, the International Civil Aviation Organisation and the International Monetary Fund.

The Conference adopted comprehensive resolutions on international standards for statistics of employment, unemployment and the labour force, the cost of living, and industrial injuries.

The resolution on employment, unemployment and labour force statistics sets forth general objectives of such statistics and makes detailed recommendations concerning the sources of information from which they should be compiled, the standard definitions and classifications which should be followed in order to ensure international comparability, the various types of statistics which should be compiled, the methods and techniques to be used and the way in which the statistics should be published. Account is taken of the varying needs and resources of the different countries and a distinction is drawn between those recommendations which are directed to all countries for immediate application, those which are directed specifically to the more industrially developed countries, or to the less industrially developed countries, and those which are directed to all countries, subject to the proviso “as resources and facilities permit”.

The resolution on cost-of-living statistics includes detailed recommendations on the methods and techniques to be used in measuring the movements of prices charged for goods and services to consumers in different economic groups.

The resolution on industrial injuries statistics deals particularly with the method of measuring frequency and severity rates for industrial injury statistics. In particular, agreement was reached on a standard definition of injury and on standard methods of computation for frequency and severity rates in order to promote international comparability of these statistics.

Industrial Committees

When the Report to the 30th Session of the Conference was written the first cycle of Industrial Committee meetings had been
completed and the Coal Mines Committee had just concluded its Second Session. Since then the Inland Transport, Iron and Steel, and Metal Trades Committees have also met for a second time.

Among the principal results of the Second Session of the Coal Mines Committee, held at Geneva in April 1947, were the adoption of proposals for the regulation of recruitment in coal mines, the organisation of apprenticeship and vocational training in coal mines, and the general problems of miners' housing. Other subjects discussed by the Committee included priority for recruitment for the coal mining industry, the employment of prisoners of war in coal mines, the retraining of miners, the protection of young workers employed underground, safety and health, and hours of work.

One of the main results of the Second Session of the Inland Transport Committee, held at Geneva in May 1947, was the adoption of detailed proposals relating to the principles, methods and machinery of industrial relations. Other important matters which the Committee considered included employment, vocational guidance and selection of workers for the inland transport industry and inland transport statistics. Among the questions which the Committee selected for further examination were the decasualisation of dock labour, the protection of young workers in inland waterways, the employment of women in inland transport, the hours of work in road transport, the co-ordination of the various forms of transport and the conditions of employment in civil aviation. Resolutions were also adopted on automatic coupling and on accident insurance in inland transport.

The Inland Transport Committee also recommended that a special conference should be convened to adopt Conventions concerning the international regulation of social security and conditions of work in navigation on the Rhine. The Governments of the countries concerned have been consulted as to the problems involved in the calling of such a conference and the Office has undertaken to prepare the necessary documents.

The Iron and Steel Committee and the Metal Trades Committee held their Second Sessions at Stockholm in August and September 1947 respectively. The principal subjects on the agenda were the regularisation of production and employment at a high level, minimum income security (annual and other wage systems designed to provide assured earnings) and labour-
management co-operation in the two industries. Considerable discussion took place on these subjects and agreement was reached on certain aspects of them. Suggestions regarding the matters to be selected for further study were also agreed upon.

At the time of writing the Chemical Industries Committee, the eighth Industrial Committee, is holding its First Session at Paris, with the following agenda: (1) problems of the chemical industries in the light of recent events and developments; and (2) working conditions and the organisation of industrial relations in the chemical industries.

Other meetings to be held in 1948 are the Second Sessions of the Textiles Committee and the Petroleum Committee.

It will be seen from this brief survey that the Industrial Committees are becoming an increasingly important part of I.L.O. machinery, and it may well be that in addition to fulfilling their original purpose they may come to play a useful role in some of the new tasks which the I.L.O. is undertaking as regards manpower problems and other aspects of economic rehabilitation.

The Joint Maritime Commission

The Joint Maritime Commission held its 14th Session in Geneva in December 1947. The Commission had before it a Report of the Director-General, including an account of the action so far taken by Governments with regard to the Conventions adopted by the 28th (Maritime) Session (1946) of the International Labour Conference at Seattle. It suggested that Governments should be asked to report before the end of March 1948 on any difficulties which prevent them from ratifying any of these Conventions and asked that a meeting of a tripartite subcommittee, composed of the members of the Joint Maritime Commission together with Government representatives from 27 leading maritime countries, should be held in early autumn 1948, to review the replies of Governments and consider what further action might be taken to hasten the ratification and application of the Conventions.

The Commission noted the action taken by the various Governments to give effect to the Recommendation of 1936 on seamen's welfare in ports and asked the Office to continue to study various aspects of the welfare of seafarers, and in parti-
cular to make concrete proposals for concerted national and international action to promote welfare work. The Commission drew the attention of Governments and shipowners' and seafarers' organisations to the detrimental effects which, in certain circumstances, the transfer of vessels to a foreign flag may have on the safety, conditions of employment and social protection of seafarers, and asked the Office to continue to study and report on the subjects.

The Commission noted the proposal to establish an Inter-governmental Maritime Consultative Organisation and expressed the hope that there would be no overlapping between its work and the work of the I.L.O. and that there would be full cooperation between the two organisations on all matters of common interest. The United Nations Maritime Conference at which it was decided to establish the new organisation took these views into careful consideration, and it is anticipated that fruitful collaboration will develop between the two organisations.

The Permanent Agricultural Committee

The Permanent Agricultural Committee held its Second Session in Geneva in August 1947. The Committee reviewed generally, in the light of the changes that have occurred and the progress made during the war and the immediate post-war period, questions relating to agricultural work and, in particular, problems of security of employment and occupation in agriculture and the raising of the living standards of the agricultural population. It laid special emphasis on the existence, from the agricultural point of view, of two groups of countries with widely dissimilar conditions—the developed and the underdeveloped countries. In the former, a relatively small proportion of the population is engaged in agriculture and a considerable part of production is on a commercial basis, while in the latter, as much as 70-80 per cent. of the population is engaged in farming and the production of the land is, in the main, consumed by the family or within the country itself. Such differences indicate the existence of different problems and thus entail a different approach and different solutions. The Committee pointed out in this connection that the developed countries have a stake in raising the standards of living in the underdeveloped countries and that a basis for international assistance should be sought in collaboration with other appropriate bodies.
In conclusion, the Permanent Agricultural Committee submitted recommendations to the Governing Body with a view to international action and to the undertaking by the Office of certain special studies. The Committee expressed the view that the time was now ripe for the international regulation of minimum wages and holidays with pay in agriculture. It decided to undertake at its next session a detailed study of hours of work and social security in agriculture and recommended that the International Labour Office should study, in collaboration with the F.A.O., certain important agricultural questions, to which, in its opinion, international consideration should be given at an early date. These studies include special problems of the agricultural populations of underdeveloped countries, the housing conditions of wage earners in agriculture, the organisation and administration of employment and recruitment services in agriculture, seasonal employment in agriculture, migratory labour in agriculture and the application and effect of social legislation in agriculture in various countries.

The *Inter-American Conference on Social Security*

The Second Session of the Inter-American Conference on Social Security was held in Rio de Janeiro in November 1947, under the auspices of the Inter-American Committee on Social Security. Seventy-nine delegates and observers from 17 American countries attended the Conference and the Governing Body was represented by a tripartite delegation. The Pan American Union, the Pan American Sanitary Bureau, the Inter-American Statistical Institute, the International Social Security Association and the World Health Organisation were represented by observers. The Conference, whose purpose is to facilitate and develop the co-operation of the social security administrations and institutions of the American Continent, adopted resolutions on the insurance of occupational risks, unemployment insurance, the standardisation of morbidity and medical care statistics, the extension of social insurance to agricultural workers, and a number of cognate questions. During the session the Permanent Inter-American Committee held its third session.
The International Social Security Association

The International Social Security Association, an international association of social security institutions, chiefly European, founded in 1927 with the support of the I.L.O., which has always supplied its secretariat, held its first meeting since the war at Geneva in October 1947. The meeting amended its constitution so as to render eligible for membership central institutions, national federations of mutual benefit societies or Government departments administering social security or any of its branches. The objects of the Association are to support the movement for the extension of social security, and to promote the technical and administrative improvement of social security services. The meeting adopted resolutions on income security and medical care, which reaffirm the main principles of the Recommendations on the same subjects adopted by the International Labour Conference in 1944.

Current Action on Employment and Migration Problems

It has been indicated in the preceding chapter that during the past year employment and migration problems have become increasingly international in character. The persistence of manpower shortages in some countries alongside manpower surpluses in others, the technical problems arising in connection with the training and placement of workers, the difficulties experienced in organising migration for employment and in matching national manpower requirements against workers available for migration, all these and many other questions have had increased international aspects which could not be ignored. In Europe, these questions have been particularly acute and of world concern. Their solution is being sought through coordinated international effort, in which the I.L.O. machinery is playing a prominent part.

The I.L.O.'s present programme of work on employment and migration questions therefore reflects the immediate employment situation and has been drawn up in an effort to contribute in as practical a way as possible to the solution of world manpower problems, particularly in Europe. The formulation of this programme is of special interest, not only because of the points which it covers, but also because it exemplifies an increasingly
co-ordinated approach by international organisations to regional problems of world concern.

Inevitably, the serious manpower questions in Europe have received attention from a number of international organisations. The countries co-operating in the European Recovery Programme examined manpower problems during their first meeting in 1947. The Industry and Materials Committee of the Economic Commission for Europe, meeting in November 1947, drew attention to the urgency of manpower problems in the European economic picture and set up a subcommittee to examine these problems further, in co-operation with the I.L.O. The Committee asked the subcommittee to make use of all the assistance the I.L.O. could give in the solution of the problem of manpower in Europe. It also drew the attention of the I.L.O. to the urgent need for the establishment of minimum uniform migration standards and urged the I.L.O. to continue its work in this field as rapidly as possible.

The I.L.O. had already taken a number of steps to formulate the principles which should govern the migration of workers from one country to another. Although these standards had been conceived on a worldwide scale, it was recognised that they provided a useful set of standards for use in connection with the migration of workers within Europe. The Second Session of the Permanent Migration Committee, held in February-March 1948, took decisions closely affecting the world manpower situation and particularly the situation in Europe. As requested by the Governing Body on the recommendation of the Committee at its First Session and by the United Nations Economic and Social Council, the Committee examined the Migration for Employment Convention and related Recommendations (1939) and agreed on far-reaching proposals for their revision, designed to enhance the practical value of these instruments. It also decided to include in the Recommendation the text of a Model Agreement covering points which might be included in bilateral agreements. The Governing Body, at its 104th Session, decided to place the revision of these instruments on the agenda of the 32nd Session of the Conference. The Committee asked the Office to adapt the draft Model Agreement to European needs in consultation with the Governments concerned, and suggested principles to be adopted in the selection and vocational training of workers for migration. It asked the I.L.O. to develop its activities in regard to migration on a regional basis, and in particular, to
speed up the establishment of improved statistical and other employment information services to assist individual countries in the resettlement of manpower. It proposed that a corps of experts should be made available for conducting migration surveys and providing assistance to individual countries asking for it. Finally, the Permanent Migration Committee recommended that immigration countries should draw up, under the auspices of the I.L.O., a preliminary classification of the main occupations in industry and agriculture which are open to immigrants, indicating in each case the nature of the operations.

The 16 countries co-operating in the European Recovery Programme held a special Manpower Conference in Rome in January 1948. In its resolutions this Conference drew attention to a number of urgent problems of employment and migration, for the solution of which it urged co-operation among the countries concerned and requested the assistance of the I.L.O. in dealing with a number of specific questions.

The Subcommittee on Manpower of the Economic Commission for Europe, which met at Geneva in March 1948, also examined manpower problems in relation to the economic situation of Europe, and concluded that the I.L.O. was the most appropriate organisation to deal with manpower questions because of its recognised sphere of competence, its tripartite structure, and its experience. It also suggested a detailed programme of work in this field.

As a result of these meetings the I.L.O. was invited to undertake a number of specific tasks, namely, to establish an international service for the exchange of information on training and retraining, to collect and disseminate information on manpower surpluses and deficits in the various countries, to make a preliminary classification of occupations with a view to making more uniform the nomenclature used in the different countries, to study improvements of manpower statistics in European countries, to draw up minimum standards for migration in Europe and to take all other necessary measures to accelerate manpower movements between European countries.

The Governing Body, meeting in its 104th Session in March 1948, considered these proposals and requested the Office to carry out a practical programme of work on manpower questions along these lines. The Office has therefore begun work on a manpower programme which should contribute to the solution of manpower
problems in European countries, and which is so organised that it can also be of assistance to other regions of the world.

So far as the first part of the programme is concerned, the Office is acting as a centre for the regular and rapid exchange of information on training and retraining and is building up an extensive body of practical documentation on the many problems involved in carrying out training schemes in the different countries and industries. It is preparing a series of national monographs on the organisation and operation of training schemes in selected countries. As may be necessary and feasible, meetings of experts on training questions will be convened to exchange views and to discuss the principles underlying the successful operation of training schemes and technical assistance will be provided to countries seeking such help to develop, adapt or improve their own programmes of training and retraining in the light of current production requirements.

Secondly, the Office is drafting, in consultation with Governments, a dictionary of occupations of special importance in European migration movements. This is aimed at making occupational nomenclature more comparable from one country to another, in order to facilitate international manpower redistribution.

Thirdly, the Office is collecting and distributing information on labour supply and demand in relation to migration. The information is being assembled, in consultation with the Governments and organisations concerned, on as precise a basis as possible and will include estimates of requirements for 12 months in advance. These constitute the first practical steps in developing a sort of international employment information service, which will, it is hoped, prove helpful for immigration and emigration countries alike in organising migration in the most satisfactory way. The Governing Body has set up a small tripartite committee for the purpose of advising the Office in regard to the organisation of this work. This committee held a first organisational meeting at the end of the Governing Body session in March 1948 and met again in April 1948.

This, very briefly, is the current manpower programme. By intensifying its efforts to contribute in a practical manner to the solution of immediate employment and migration problems, the Office hopes to facilitate the tasks of the other international organisations concerned with European and world recovery and, in turn, to enlist their aid in dealing with factors affecting the solution of manpower problems.
The relations between the I.L.O. and the United Nations and other international organisations during the past year have served to ensure to an ever-increasing degree the co-ordination of the activities of the I.L.O. within the wider framework of international economic and social action.

Co-ordination is in the main a day-to-day problem, involving close contact between the secretariats of the organisations concerned on matters of common interest. The Secretary-General of the United Nations and the chief executive officers of the specialised agencies, at the suggestion of the Economic and Social Council, have formed a Co-ordination Committee to decide on the measures which should be taken, within the limits of their authority, to achieve the fullest co-ordination between the secretariats for which they are responsible. This Committee has held two sessions since the last Session of the Conference and has achieved highly satisfactory results, which have been endorsed by the General Assembly and the Economic and Social Council, the organ of the United Nations charged under the Charter with responsibility for the general co-ordination of all international action in the economic and social and related fields. In this manner the resources which Governments have placed at the disposal of international organisations will be employed in the most efficient and economical way possible.

In addition to the agreement between the I.L.O. and the Food and Agriculture Organisation concluded last year, agreements have been concluded with the United Nations Educational, Scientific and Cultural Organisation and the World Health Organisation, the latter of which awaits final approval by the World Health Assembly. The United Nations and the specialised agencies have been represented at many meetings convened by the I.L.O., in accordance with the provisions of the different agreements, and I.L.O. representatives have been present at a large number of meetings organised by other international bodies. Attendance at such meetings is essential both for the purpose of affording assistance to the general international effort and in order to see that the I.L.O.'s own work is not duplicated. Such attendance, however, throws a considerable strain on the I.L.O.'s staff, as may be seen from the
fact that during 1947 I.L.O. representatives attended no less than 110 such meetings held in all parts of the world, some of them of course only of short duration but others lasting as long as several months.

A few of the main features of co-ordinated action undertaken in the various fields of social policy within the competence of the I.L.O. during the past year may be briefly indicated.

As already recounted, the I.L.O. is co-operating closely with the Economic Commission for Europe and its Manpower Subcommittee, as well as with the Manpower Committee of the Committee of European Economic Co-operation, in an attempt to assist Governments to make the most efficient and economical use of manpower resources in their effort to build up the European economy.

In the general field of migration the I.L.O. is also working in close co-operation with the United Nations. A working arrangement for the division of responsibilities in this field has been drawn up by representatives of the Secretary-General of the United Nations and the Director-General of the I.L.O. in order to ensure the most effective co-ordination of the activities of the two organisations. As examples of co-ordination in regard to this question it will be recalled that at its Fifth Session the Economic and Social Council referred to the I.L.O. the question of the protection of migrant and immigrant labour, which had been raised by the American Federation of Labor, and, similarly, at its Sixth Session the question of the maintenance of full employment and the related problem of migration, including the adoption of regulations for safeguarding the interests of migrants and for protecting both migrants and domestic workers against unfair competition and treatment, which had been considered at the United Nations Conference on Trade and Employment at Havana.

The I.L.O. is also maintaining close relations with the Preparatory Commission of the International Refugee Organisation as regards all the technical aspects of migration, including for example the assembly of the data necessary for determining an equitable distribution of refugees and displaced persons among the various countries concerned.

In the general question of co-ordinated international action regarding employment, it is important to note in the Charter of the International Trade Organisation recently signed at Havana that express recognition is given to the close relationship...
between employment and the expansion of international trade and, in general, the realisation of the purposes of the I.T.O., and to the necessity to supplement domestic measures aimed at the achievement and maintenance of effective demand and employment by international action sponsored by the Economic and Social Council and carried out in collaboration with the appropriate inter-governmental organisations. It is also important that the Charter recognises that measures relating to employment must take fully into account the obligation to maintain fair labour standards and lays down that members of the I.T.O. which are also members of the I.L.O. are to cooperate with the I.L.O. in giving practical effect to this. The Charter further provides for consultation and co-operation with the I.L.O. in all matters relating to labour standards that may be referred to the I.T.O.

Vocational training is intimately connected with employment and migration questions, and the work of the I.L.O. in this field has been carried out in association with the other international organisations concerned directly or indirectly with the development of improved training, in particular with the Economic Commission for Europe. The importance of vocational training to the countries of Asia and the Far East was underlined by the Preparatory Asian Regional Conference of the I.L.O. (New Delhi, October-November 1947) and by the Economic Commission for Asia and the Far East at its second session (Baguio, November-December 1947). To give effect to the desire expressed at these meetings to proceed with the work as rapidly as possible, the I.L.O. has agreed to make available to the Commission for a period of 2 or 3 months the services of an expert to make a survey of the manner in which assistance in this field can most effectively be given to Governments of the region. Close co-operation in these matters will also be maintained with the Economic Commission for Latin America, and with the Economic Commission for the Middle East if the Council should decide to establish it.

In the relationship of vocational guidance to vocational training and employment organisation as a whole the I.L.O. has a primary interest; on the other hand, the educational aspects of the questions and their relation to school programmes are of special concern to U.N.E.S.C.O. The two specialised agencies are therefore working together to ensure that a co-operative international approach is made to the whole problem.
As requested by the International Labour Conference, the Economic and Social Council and the General Assembly, the I.L.O. has continued to pursue actively the study of the question of freedom of association and industrial relations with a view to the adoption of one or more Conventions, and the 31st and 32nd Sessions of the Conference will be directly concerned with the question. As further requested, the I.L.O. has also undertaken a study of international machinery for safeguarding trade union rights and freedom of association, and the report of the Governing Body of the International Labour Office which will be submitted to the 31st Session of the Conference was drawn up after consultation with the Secretariat of the United Nations. Representatives of the I.L.O. also participated in the work of the Commission on Human Rights in December 1947, when the question of machinery for the implementation of human rights in general was considered.

In recognition of the competence of the I.L.O. in the matter, the Council at its Sixth Session referred the question of the application of the principle of equal pay for equal work for men and women workers, which had been raised by the W.F.T.U., to the I.L.O. and to the Commission on the Status of Women, which had also discussed the matter, and invited the I.L.O. to consider the question as rapidly as possible. The question of wages is included in the Agenda of the 31st Session of the Conference for general discussion, and at its 104th Session the Governing Body agreed that this would afford an opportunity for a preliminary exchange of views at the Conference.

Two aspects of social security were dealt with at the Preparatory Asian Regional Conference which also concerned other international organisations. The importance of crop and cattle insurance to the maintenance of income security of cultivators was stressed, and the Governing Body, on the suggestion of the Conference, has decided to arrange with the F.A.O. for effective international consideration of the problem. The Conference also underlined the necessity for the establishment of medical care services in Asian countries, and the Governing Body, also on the suggestion of the Conference, has decided to collaborate with the W.H.O. in this matter. The I.L.O. is co-operating with the W.H.O. in the preparation of the Sixth Decennial Revision of the International Lists of Diseases and Causes of Death.

Many questions relating to the conditions of work of agricultural labourers and rural welfare are of direct concern to the
I.L.O. and F.A.O. and close collaboration is being developed between them, as recommended by the Permanent Agricultural Committee, the Preparatory Asian Regional Conference and the Regional Meeting for the Near and Middle East, to ensure the most effective international treatment of the problems involved. Representatives of the F.A.O. participated actively in the work of the Permanent Agricultural Committee and of the Regional Meeting for the Near and Middle East, and the I.L.O. was represented at the first regional conference for the Near East held by the F.A.O. in Cairo in February 1948, which dealt among other problems with different aspects of rural welfare and nutrition and which underlined the necessity of close collaboration between the I.L.O. and F.A.O. in regard to them. It is also proposed to remain in close contact with the F.A.O. in the preparation of the documents concerning the conditions of employment of agricultural workers to be submitted to the Fourth Labour Conference of American States to be held in the latter part of 1948. Inter-secretariat discussions have been held between the I.L.O. and F.A.O. to devise practical ways and means of co-ordinating the action of the two organisations in specific fields of common interest and a full report on the subject will be made available as soon as possible.

In the study of maritime questions the Organisation is steadily developing its relations with other specialised agencies wherever matters of common interest arise. Co-operation has already begun, for example, with the F.A.O. on the subject of the fishing industry, which the F.A.O. is surveying from the point of view of resources and its economic and nutritional aspects and the I.L.O. from the point of view of conditions of work of fishermen. The I.L.O., which has been studying for many years the question of venereal diseases as it affects the health of seafarers, has recently been requested by the Governing Body, on the recommendation of the Joint Maritime Commission, to intensify its work in this field, and it is now co-operating with the W.H.O. in the study which that organisation is at present undertaking of the control of venereal diseases in general. The I.L.O. has followed carefully the preparatory work leading to the decision to establish an Inter-governmental Maritime Consultative Organisation. The I.L.O. will co-operate with it in all matters of mutual interest, including efficiency of navigation, particularly from the point of view of adequate training and certification of crews, and safety at sea.
Considerable progress has already been achieved in the coordination of the statistical work of the I.L.O. with the relevant statistical work of the United Nations and other international organisations so as to avoid overlapping in requests to Governments and in the publication of material and to improve the international comparability of statistics. For example, the I.L.O. supplies statistical information regularly to the United Nations for publication in the *Monthly Bulletin of Statistics* and also exchanges material with the International Monetary Fund and the F.A.O. Arrangements for similar co-operation with other organisations are being developed. The I.L.O. has been represented regularly at meetings of the Statistical Commission, and representatives of the United Nations and other international organisations participated in the work of the Sixth International Conference of Labour Statisticians held in August 1947, the results of which were immediately communicated to the World Statistical Congress held shortly after.

Economic problems are fundamentally related to questions of social policy, and international economic action in many fields is the indispensable basis for social progress. In this connection it may be useful to recall the recognition of this principle embodied in the Charter of the International Trade Organisation referred to above. The I.L.O. is therefore closely concerned with that work of the United Nations and the other international organisations which is primarily economic in character. The I.L.O. has followed closely the work of the Economic and Employment Commission and its subcommissions and has also participated in discussions at the secretariat level between the United Nations and the specialised agencies on questions of economic development. The work of the Regional Economic Commissions established by the Council is also of primary concern to the I.L.O. For example, the I.L.O. is co-operating closely with the Economic Commission for Europe in its work concerning the iron and steel industry, coal mining, inland transport, electric power and timber in the European economy, since the I.L.O. is dealing with the social aspects of certain of these industries through its Industrial Committees. The Preparatory Asian Regional Conference and the Regional Meeting for the Near and Middle East both realised that the social objectives which they laid down could only be achieved in Asia and the Far East and in the Near and Middle East by complementary international economic action by the appropriate organisations; and, on the recommendations of the Conferences,
which have been accepted by the Governing Body, the I.L.O. is carrying out preliminary consultations with the organisations concerned as to the best manner in which this work should be undertaken.

This brief summary of some of the major fields in which active co-operation between the I.L.O. and the United Nations and other international organisations is being carried out may serve to emphasise that it continues to be the consistent policy of the I.L.O. to co-ordinate its work with that of other international organisations, and that it is making every effort to ensure that the most effective and economical use is made of its resources in its effort to contribute to the promotion of social justice throughout the world.

**Advisory Missions**

Since the last Report to the Conference the Office has continued to meet, so far as its resources would allow, numerous requests for advisory missions received from various Members of the Organisation. The following brief summary of the more important of these missions will serve to indicate the wide range of subjects which they cover.

**China**

At the request of the Chinese Government the International Labour Office has made the necessary arrangements with the British Ministry of Labour and National Service for the placing of an official of the Ministry at the disposal of that Government to give it technical assistance in the organisation of employment and vocational training for young persons.

**Czechoslovakia**

The Chief Actuarial Adviser of the Office paid two visits to Prague, in August-September 1947 and March 1948, at the request of the Czechoslovak Government and of the General Council of Trade Unions, respectively, to advise on the reconstruction of the Czech social insurance systems into a national insurance scheme.
Greece

A mission including experts in industrial relations, trade union law, social insurance, and conditions of work visited Greece in October-November 1947 in response to a request from the Greek Government for assistance in the examination and revision of its labour legislation, including the legislation governing trade unions. The mission has submitted to the Greek Government a detailed report which deals, among other subjects, with the organisation of the employment market, vocational training, planned emigration, labour inspection, hours of work and rest periods, industrial health and safety, home work, the employment of children and young persons, women's work, social insurance, the reform of trade union legislation, and the organisation of administrative services. The report contains detailed recommendations on these subjects which are now being considered by the Greek Government. It is hoped that arrangements can be made for the publication of the report.

Iran

The Chief of the Co-operation and Handicrafts Service of the Office visited Iran from December 1947 to February 1948 and submitted to the Iranian Government a detailed report on the introduction of co-operative organisations in Iran.

A further mission, including experts on employment and training problems and labour inspection, on the protection of women and children, and on social insurance, left for Iran in March 1948 to examine these problems with the Iranian Government at its request.

Latin America

Visits by officials of the International Labour Office to a number of Latin American countries, including Brazil, Bolivia, Colombia, Cuba, Ecuador, Guatemala, Mexico, Peru and Venezuela, have afforded opportunities for technical consultations on a number of problems.

Economic Commission for Asia and the Far East

The International Labour Office has made available to the Economic Commission for Asia and the Far East the services of
an experienced official, who is to co-operate in the preliminary work necessary in connection with the implementation of the resolution concerning technical training adopted by the Commission at its Baguio session. It is hoped that this preliminary investigation will define the scope of the problem of technical training in the Far Eastern region, which would appear to comprise two elements: (a) the development of technical training facilities in Asian countries and fuller use of local resources, and the employment of experts from abroad; (b) the provision of facilities for training selected candidates from Asian countries and other countries of the Far Eastern region, as well as in other regions.

Publications

The output of publications is steadily increasing. It now amounts to well over one document or periodical, averaging approximately 100 printed pages, every day. Reports and records connected with the Conference and other meetings still make up the greater part of this production. For the present session of the Conference alone some 25 reports were issued. In addition, during the past year, five reports were prepared for the Preparatory Asian Regional Conference, three for the Sixth International Conference of Labour Statisticians, four for the Iron and Steel Committee and four for the Metal Trades Committee, as well as a number of volumes for the Tripartite Technical Conference on Safety in Factories. Each of these documents appeared in at least two languages and most of them in three, making a total of more than a hundred books produced in this category alone. Since the records of all the meetings have also to be edited and printed, Conference work absorbs more than half of the Office's resources as a publisher.

It has however been possible to make some progress in consolidating the periodical publications. The International Labour Review has been brought up to date in English and French, and the arrears of the Spanish edition are well on the way to being liquidated. The Legislative Series is appearing regularly in English and French every two months, each issue containing about 200 pages of texts of recent labour laws. The Industrial Safety Survey is published quarterly in the three languages. The Official Bulletin is keeping up with the current activities
of the Organisation, and a beginning has been made in filling the gaps which have occurred since 1939.

The output of technical studies, on the other hand, still falls short of that of pre-war years. Volumes which have been issued or are in the press (in English only) include *The Chilean Development Corporation; Labour-Management Co-operation in United States War Production; Housing and Employment; and Rehabilitation of Disabled Persons*. It may be pointed out, however, that some of the documents presented to conferences or Industrial Committees are of such a character as to compensate to a certain extent for the deficiency in studies of this kind. The reports prepared for the Sixth International Conference of Labour Statisticians, for example, have been reissued in the “Studies and Reports” series in the three languages, and some of the reports submitted to the Preparatory Asian Regional Conference (in English and French) are volumes which might well have been published as studies quite apart from the requirements of the Conference.

It is intended to resume at an early date separate publication, on a fortnightly basis, of *Industrial and Labour Information*, which appeared weekly before the war and was incorporated in the *International Labour Review* in 1940. This periodical, which will appear in the three languages, will contain, as in the past, authentic and detailed information concerning current events in the domain of social policy. It will be intended for permanent reference and will continue to be presented as a reliable source of basic data rather than as popular reading matter.

A further expansion of the regular series of publications of the Office which is contemplated in the near future is a Spanish edition of the *Legislative Series*.

During the past year there has been a very rapid increase in the demand for the Office’s publications. It is not merely requests for free copies that have multiplied, but also the sale of publications has continued to expand steadily. The net receipts from sales in 1947, after deducting all commissions and expenses chargeable to sales, amounted to 158,558.05 Swiss francs, or $37,046.27. This is appreciably more than the corresponding figure for 1946, which in turn was the highest since the peak year of 1933. The great and growing demand for the Office’s publications, whether as a free service, by way of exchange or by purchase, is a proof that in spite of all the difficulties of the war and post-war years a high standard has been maintained.
CONCLUSIONS

The present Report is of course not exhaustive. It does not attempt to present a complete picture of the social measures taken in the various Member States during the past year, nor even to recount in detail the activities of the I.L.O. during that period. If, however, it gives the Conference some impression of how active the concern with labour and social questions has been in all parts of the world and how wide and how varied the I.L.O.'s own work has become since the Conference last met it will have achieved its main purpose.

But since the Report reaches a wider circle of readers than the delegations attending the Conference, attention should be drawn to the fact that the account which it gives both of national activity and of the I.L.O.'s work is not only incomplete but is inevitably unbalanced. What the Report attempts to describe is what has happened during the past twelve months. If this is not borne in mind, it might appear that certain subjects had received an undue share of consideration or certain activities had been given an undue priority over others. For instance, the account, summarised though it is, which is given of regional activities in the Near and Middle East and in Asia might suggest that the needs of other regions were not receiving adequate consideration. A report covering a longer period would correct any such impression. The work of the I.L.O., international or in its national ramifications, is a continuous process and its balanced pattern cannot be clearly perceived by a view of any particular calendar year.

There is, however, one subject mentioned in this Report which falls into a special category and to which this observation does not apply, and that is the general revision of the I.L.O.'s Constitution, which has now been terminated by the coming into force of the Instrument of Amendment, 1946. This is an event which stands by itself and is therefore worthy of special note. No doubt other amendments may be considered from time
to time, but it is unlikely that the need for any general revision, such as has now been concluded, will be felt for a long time to come.

It is not necessary to describe or discuss that revision in its details. The long and careful examination of every constitutional provision carried out by the Conference Delegation on Constitutional Questions and by the Conference itself is known to all delegations. Its result, now confirmed by the receipt of more than the required number of ratifications, has two features of outstanding significance. The first is that important additions have been made to strengthen the I.L.O.'s international action. The second, even more important, is the solemn reaffirmation without exception of all the fundamental principles on which the I.L.O. was constructed nearly thirty years ago. Many of them were then daring innovations. They now achieve a fresh acceptance, after a critical examination by another generation. After having been tested for over a quarter of a century both in peace and in war, their validity emerges unchallenged and their permanence seems assured. The Organisation remains unique in its international tripartite character, uniquely adapted for the consideration of the range of problems for which its competence is reaffirmed.

In 1919 the central place of the agents of production in the edifice of prosperity and peace was but dimly apprehended. Many who welcomed the I.L.O. thought of it as little more than a sort of official blessing for the old International Association for Labour Legislation. Though national departments of labour were set up in an increasing number of countries they were regarded as junior Ministries, as poor relations of the elder departments of foreign affairs, finance, commerce and the rest, as a concession to trade union sentiment rather than as a recognition of a fundamental change in the range of problems with which Governments must deal.

The I.L.O. did much to change that perspective, and now its Constitution sets the social objective as the criterion by which all other policies must be tested and to which they must conform. This bold declaration was no conceited assertion of its own importance. In formulating it, and in proclaiming that "poverty anywhere constitutes a danger to prosperity everywhere", the I.L.O., in the words of President Roosevelt, "summed up the aspirations of an epoch" and set a principle to guide not only its own efforts but those of all other inter-
national organisations to which it pledged its collaboration in their share of the general task.

That collaboration the I.L.O. pledges anew to the United Nations and to the Specialised Agencies at this moment, when concerted international effort more clearly than ever before calls for faith and energy and devotion.

EDWARD PHELAN.

24 April 1948.