The First
European Regional Conference

The practice of holding regional conferences of the International Labour Organisation began in the inter-war years and has been intensified since the end of the war. Conferences have been convened for the countries of the Americas and of Asia, and a regional meeting has also been held for the countries of the Near and Middle East. Until this year, however, no such conference had been organised for Europe, and consequently special significance attaches to the European Regional Conference held in Geneva from 24 January to 5 February 1955. This article gives an outline of the work and results of the Conference; a more detailed account of the discussions at the plenary sittings will be found in Industry and Labour.¹

WHEN the suggestion to convene a European Regional Conference was first made to the Governing Body, a number of arguments were advanced against it. It was said that the I.L.O.'s task was to consider world problems as a whole, and that a regional approach, especially in Europe, would tend to perpetuate the gap between the industrially advanced and the less developed areas, and thus to thwart the universal mission of the Organisation. Europe, it was said, had no specific problems peculiar to itself; Europe's problems were the world's problems and might as well be dealt with in a world-wide setting. It was further suggested that the time was not ripe for such a meeting, which would run the risk of creating more problems than it would solve. As the Conference progressed, however, a number of speakers expressed the view that it was likely to produce worth-while results from its discussion of a number of problems that were particularly urgent in the context of the present European political and economic scene. Summing up the results of the Conference, the Director-General felt able to say that "the holding of the Conference has proved amply justified".

The Conference was attended by tripartite delegations from 25 European member States of the Organisation; the total number

of delegates—was 99, and there were 157 advisers. In addition, a special tripartite delegation of six members of the Governing Body was present, together with representatives of the United Nations and of six official international organisations. Seven non-governmental international organisations likewise accepted invitations to be represented. In all, some 300 persons attended the Conference—a fact which testifies to the wide interest taken in its deliberations.

The session was opened by the Chairman of the Governing Body, Mr. Ago of Italy, who called on Mr. Max Petitpierre, President of the Swiss Confederation, to address the Conference. Mr. Petitpierre emphasised the urgent need at the present time for international collaboration both on a regional and on a world-wide basis. Although Europe had suffered much from international strife, it was nevertheless a community which must be rebuilt in peace. The field of labour problems offered a useful opportunity for co-operation in raising standards of living and gradually bringing the countries of Europe closer together.

Mr. Ago then gave his opening address, in which he stressed the fact that the social problems facing Europe today were just as pressing as the political or economic problems. The movement towards European solidarity and union, which opened up so many possibilities and raised so many hopes, must, if it were to succeed, achieve a substantial improvement in the well-being of the mass of European workers. It was therefore necessary for the I.L.O. to take a close interest in this movement. Mr. Ago concluded with an appeal for mutual understanding and for a continuation of the practices of the I.L.O., within which, despite the vicissitudes of international politics, employers', workers' and government representatives had always accepted the need to work together towards the noblest aim that men had ever set themselves.

Mr. Rubattel, Government delegate of Switzerland and former President of the Swiss Confederation, was elected by acclamation President of the Conference on the proposal of the United Kingdom and U.S.S.R. Governments, supported by the Employers' and Workers' groups. In his opening address he urged the Conference to seek concrete solutions to the technical problems before it. The Conference was not intended to deal with political matters or with conflicting doctrines; it had met to study social facts objectively and to suggest practical measures for dealing with the social problems that were common to all the countries of Europe. Thus the Conference could make its contribution towards building up lasting peace in Europe and in the world on the basis of that social justice which was the primary objective of the I.L.O.

There were four items on the agenda of the Conference. The
first was consideration of the Report which the Director-General, in accordance with the usual practice, had submitted on some of the social problems of Europe. The three technical items were: the role of employers and workers in programmes to raise productivity in Europe; methods of financing social security benefits; and the age of retirement.

THE DIRECTOR-GENERAL'S REPORT

The Director-General struck the keynote of his Report when he referred to "the primacy of the social objective in plotting the course of national and international policy". Mr. Morse noted that Europe was at present going through an important phase of political and economic reorganisation, and that there was a significant movement for closer co-operation in the political and more particularly in the economic field. "If", the Report said, "current efforts towards economic collaboration are to succeed, they will have to move forward step by step with social policies designed to improve living and working conditions as rising levels of economic activity render this possible." It was here that the I.L.O. had a contribution to make out of its acquired experience and on the basis of its Conventions and Recommendations. The Report therefore sought to provide a factual background for a general review of certain aspects of social policy which seemed particularly relevant to the efforts now being made towards closer economic co-operation. It did not try to suggest solutions, but asked the Conference to provide the guidance necessary to enable the I.L.O. to play its full part in the solution of Europe's social problems.

The Report opened with a general background picture of the conditions affecting economic and social progress in Europe. While noting that in the last 50 years national income had grown in Europe as a whole, production and consumption had expanded and changes in the distribution of income had been ironing out extremes of poverty and wealth, it stated that too many obstacles still prevented existing resources and knowledge from being turned towards the achievement of better levels of nutrition, housing, education and general living conditions. Further progress demanded increased productivity and the employment of labour, capital, raw materials and other resources in the way best calculated to achieve maximum output. At the same time continuing attention must be given to ensuring that income and wealth were fairly distributed among those who contributed to its production, while the claims of those who could not contribute because they were too young, too old or unfit should not be overlooked.

Other chapters dealt with manpower problems, including the
need for skilled labour, for international migration and for a sound employment policy; with housing and the need to provide more and better homes at a cost within the means of the workers; and with industrial relations and the important part they could play in promoting a climate favourable to closer economic co-operation in Europe. The question of international differences in labour costs in relation to attempts to achieve closer economic co-operation in Europe—a matter to which frequent reference has recently been made by statesmen of many countries—was the theme of another chapter, which pointed out that the available data were not adequate to permit precise international comparisons because of differences in the type, scope and coverage of national statistics. It was not sufficient to compare wages; account must also be taken of such factors as holidays with pay, overtime, Sunday work, methods of financing social security, and voluntary contributions by employers to pension and welfare funds, to transport and housing and to vocational training. There was also the problem of assessing the significance of such differences as exist from the point of view of closer economic co-operation. The I.L.O., the Report said, would put itself at the disposal of the European countries in an endeavour to study more intensively the extent and significance of variations in labour standards and social charges, but it must be able to count on the co-operation of all concerned—governments, employers and workers—in collecting information in a form that would permit comparative analysis and useful interpretation.

The final chapter of the Report fell into two parts. The first showed how the I.L.O. at the outset had been European in inspiration and had built its early international standards on what was best in European social legislation, and how it had in return been able to render notable services in various ways to the countries of Europe. The second part contained a brief analysis of the aims, structures and tasks of the various European international organisations set up since the war, and an account of the way in which the I.L.O. had co-operated with many of them in matters of common interest.

The Discussion

The 55 speakers who took part in the debate on the Report included three Ministers in national governments who were attending the Conference either as members of delegations or for the specific purpose of contributing to the discussion—Mr. Aujoulat, French Minister of Labour, Mr. Maisel, Austrian Minister of Social Affairs, and Mr. Troclet, Belgian Minister of Labour and Social Welfare. The Executive Secretary of the United Nations Economic
Commission for Europe, the Secretary-General of the Council of Europe, the Deputy Secretary-General of the Organisation for European Economic Co-operation, and representatives of the European Coal and Steel Community and of the Intergovernmental Committee for European Migration also participated in the discussion.

On the general question of closer economic co-operation in Europe, speaker after speaker stressed the widespread desire for such co-operation and supported the claim of the workers’ representatives that any progress in this direction must lead to higher levels of living and must not be allowed to involve a lowering of labour standards, but on the contrary should raise them. Certain Employers pointed out that while the I.L.O. could collect information about labour standards it could in many cases do nothing to level them out, since they were fixed by free collective bargaining within the different countries. Reference was also made to the general need for improving productivity by all appropriate measures and for ensuring a fair distribution of the benefits resulting from any improvement. It was pointed out that mutual confidence between employers and workers was an essential prerequisite for higher productivity. In this connection, delegates from the Eastern European countries pointed out that under their system the workers owned the means of production and therefore reaped the full benefits of increased productivity. They considered that in other countries certain measures for raising productivity were simply exploitation, without any gain to the workers, and that they frequently involved undue strain, a relaxation of safety measures and unemployment. To this it was replied that in Western Europe the workers did in fact benefit from increased productivity, but they freely negotiated with the employers—who were also free—what share they should have. Moreover, the workers had the right to strike if they could not reach a satisfactory agreement—a right that did not exist in Eastern Europe. The delegates from Eastern Europe also repeatedly pointed out that the present concentration on armaments production was one of the chief obstacles to any attempt to raise labour standards in Western Europe. Peace and collective security in Europe were an essential prelude to any substantial improvement in living standards. To which several representatives of the Western European countries replied that if really satisfactory assurances could be obtained of the peaceful intentions of the U.S.S.R. and other Eastern countries, there would no longer be any need for high expenditure on armaments, which in any case were purely a defensive measure. Some of the delegates from Eastern Europe also pointed out that the discussion on economic co-operation appeared to centre round
Western European co-operation, which could be regarded as directed against the countries of the East. What was required was the removal of all forms of discrimination that prevented a development of trade exchanges between East and West. Mr. Troclet took up this question and pointed out that, in view of the differences of concept underlying the economic systems of Eastern and Western Europe, it was probably futile to spend time trying to prove that one system was better than the other. But certain structural elements and certain practical problems were common to both systems; surely there was scope for a limited measure of reasonable co-operation in these fields. If the Conference could show that there was sufficient solidarity among the peoples of Europe to induce them to make certain sacrifices, this in itself would be a great encouragement to the workers of Europe and a step forward towards world peace.

The manpower problems of Europe, in particular those having a bearing on closer economic co-operation, were discussed at some length. Several speakers mentioned the need for sound employment policies in each country and for some measure of agreement on common employment policies for the region as a whole. Closer co-operation between employment services in different countries was therefore desirable. Reference was made in this connection to the common employment market established between the northern countries of Europe. In practically all countries there was an unsatisfied demand for skilled labour, and a consequent need for developing vocational training programmes and measures for the readaptation of workers to new skill requirements resulting from technological progress. Special attention was drawn by many delegates to the fact that economic integration would inevitably mean that some industries or undertakings in certain countries would no longer be able to compete successfully, while in other countries some industries or undertakings would expand. In order to meet this situation and to avoid undue hardship to individual workers there would be a need not only for retraining workers to fit them for other employment but also for greater mobility of labour both within countries and from country to country. The economic desirability of such mobility was unquestioned, but many delegates emphasised that certain safeguards were essential. There was often resistance from workers to the introduction of foreign labour, due to apprehensions regarding the possible consequences for their own security and terms of employment. Again, the human aspects of the problem for the workers concerned had to be carefully weighed. There was the serious strain on the worker and his family of adjusting themselves to strange living and working conditions; the possible need for
retraining; the need for reciprocity in social insurance; the difficulty of providing suitable accommodation for the workers transferred from one area to another.

This led naturally to some discussion of workers' housing in general, the critical importance of which was generally recognised. It was clear from many speeches that the governments of all the European countries have done much to stimulate house-building, and that in many cases employers have also made a notable contribution. The workers themselves, either by individual effort or on a co-operative basis, have also endeavoured to overcome the housing shortage. In a great many countries, however, it was frankly admitted, much still remained to be done, not only in building the requisite amount of accommodation of decent quality but more particularly in ensuring that, when built, it was within the modest means of the workers. Reference is made below to the resolution adopted by the Conference on this subject.

The topic of labour-management relations was also frequently mentioned, with special reference to their importance as a factor in promoting closer economic co-operation in Europe. Several speakers pointed out that paternalistic relations between employers and workers were now out of date and that the workers and their unions should be associated from the outset in the discussion of plans for changes in the social and economic structure of Europe. The need for mutual confidence and for education both for management and for workers was also brought out, and repeated references were made to the importance of the human factor in labour-management relations.

The subject that particularly held the attention of speakers in the general debate was the difficult and delicate question of differences in labour standards and in social charges between one European country and another. For some, the existence of these divergences was a serious obstacle to any attempt at closer economic co-operation. It would be necessary at least to bring all European countries up to the standards laid down in international labour Conventions and to achieve some degree of equivalence in social charges before seeking to remove the protectionist barriers between European markets. Others held that to consider these differences as an obstacle to co-operation was to ignore the existence of other factors of equal or even greater importance in determining the competitive ability of countries in a free market—for example, differences in productivity associated with differences in national resources and in the acquired skills of labour and management. The one point on which speakers from all three groups were agreed was that much more factual information was needed, and that it must be provided on a basis that would permit useful comparisons.
It was this which led Mr. Ago to make a concrete proposal which was supported by a number of Government, Employers’ and Workers’ delegates. He suggested that the I.L.O. should, in collaboration with the governments and the employers’ and workers’ organisations concerned, assemble data on differences in the general level of labour costs, including social charges. A panel of experts might also be convened to study the question and report to the Governing Body. These experts should also be asked to explore the problems of social policy that might be brought about by changes in the pattern of production and employment in each country as a result of closer co-operation. In addition, they should be asked to consider how a further extension of the application of existing international labour Conventions and Recommendations and the adoption of new international standards would help to soften the effect of the social changes caused by closer economic co-operation.

One other subject touched on by several speakers was the situation of the I.L.O. vis-à-vis the other international organisations in Europe. The representatives of these organisations explained to the Conference their tasks and preoccupations. All expressed their desire to avoid overlapping and to collaborate fully with the I.L.O. in matters of common interest; they referred to the assistance that they could give to the I.L.O. in its work and their appreciation of the valuable help that many of them had already received from the I.L.O. Mr. Troclet, Belgian Minister of Labour, Mr. Vassiliou, Greek Government delegate, and Sir Richard Snedden, United Kingdom Employers’ delegate, were among the many speakers who felt that there was a real danger of duplication of work and dispersion of resources as a result of the multiplicity of European organisations. On the other hand, Mr. Marchal, Secretary-General of the Council of Europe, pointed out that it was only when some competent organisation felt unable to carry out some task at the request of the Council of Ministers that the latter body might itself deal with the problem, and so there was no risk of overlapping. It was generally recognised that the complex relationship between political, economic and social problems in the world today made it impracticable to isolate entirely the objectives of the various international bodies and to achieve complete specialisation. Nevertheless many speakers emphasised the central role that the I.L.O. was entitled to play in the social field by virtue of its universality, its specific competence in social questions, its long experience and its unique tripartite structure. The efforts already made by the I.L.O. to co-ordinate action in the social field in Europe through bilateral agreements or practical working arrangements were noted with satisfaction.
The Director-General's Reply

In replying to the debate, Mr. Morse stated that he did not propose to deal with political issues, since they were not properly a matter for a regional conference. Instead, he would deal with those points on which there seemed to be a common measure of interest and the possibility of constructive future action. Since the war Europe had had to face a changed world situation in which the old political and economic conception of a number of powerful competing States and independent national economies was manifestly inadequate. "Yet still rich in their ancient vitality", he said, "the peoples of this continent have come vigorously to grips with their problems. There has been a new ferment of political and economic activity. The losses of the war have been made good; the need for ever greater co-operation between States has been recognised; and the genius of this continent has brought forth new plans of organisation and new institutions cast in the mould of a larger Europe. These new ventures exist about us today. As yet, however, they are evidence of the determination of the people to create a new viable European community, rather than a final plan for Europe's new structure and organisation." It was precisely at this stage, while the political and economic reorganisation of Europe was in progress, that it was necessary to focus the attention of the continent upon the social issues involved. That had been the great opportunity and the main achievement of the Conference.

He believed firmly that closer economic co-operation could be achieved and that it would be of the utmost importance both for Europe and for the world. For Europe, its importance would lie not only in the economic and social benefits that co-operation could bring in its train. It would mean also a revival of the prestige of Europe and a confirmation that it was still in the van of social progress. "For the world as a whole, a more united Europe reaping the benefits of economic expansion and higher levels of living would not only be an inspiration. It would be a market capable of absorbing more of the produce of other areas and would thus promote economic expansion elsewhere. Moreover it would be able, from its increased economic strength, to join with other countries in giving ever greater assistance to the less developed areas of the world in their struggle for industrial development and a fuller, richer life for their impoverished peoples."

The Director-General went on to say that, apart from the conclusions reached on the technical items in the agenda, the results of the Conference would not be embodied in texts. He therefore wished to try to draw together the main trends of the debate with a view
to being in a position to submit to the Governing Body a concrete plan of action based on the outcome of the first European Regional Conference. The main questions raised in the course of the discussion were threefold.

"In the first place, what are the principal social problems which will have to be faced and overcome in the process of strengthening economic co-operation between the European countries? Secondly, what role should the I.L.O. play and where does its initiative lie in relation to the various European regional organisations? And finally, how can the I.L.O. best fulfil its role? What methods are open to it? And what are the immediate steps to be taken?"

All were agreed, Mr. Morse said, that the ultimate goal of economic co-operation was to raise levels of living through a general increase in production. This purpose could not be achieved without proper social policies. Plans for the unification of Europe must gain popular support; in particular, labour must participate fully in efforts to arrive at closer co-operation. Thus it was for the I.L.O. to assist countries in planning the social policies without which economic changes would not attain their real purpose. The most obvious examples of the need for co-ordination between economic and social policies were problems of transition to a new and more efficient pattern of employment following the establishment of common markets. When such markets were established some industries in some countries would expand, others would have to contract. There was also the problem of ensuring that after a more integrated economic system had been established the more vigorous competition in such a system would not stand in the way of further improvement of social standards in the participating countries. It might therefore be necessary for the countries in Europe to shape their social policies with a larger degree of international consultation and co-operation than at present. Another problem of social policy related to freer international movement of labour in addition to the liberalisation of the international exchange of goods. This idea had often provoked resistance among workers, particularly as a result of fears as regards the possible consequences that such freer movement of labour might have on existing security and terms of employment. Objective investigation of this issue was badly needed. In this connection the Director-General dealt more particularly with the question of real or apparent differences in labour costs, and especially in social charges. Discussions on this question tended to be somewhat confused for two reasons. First, as many speakers had emphasised, comprehensive factual information permitting meaningful international comparisons of labour costs and their compo-
nents was still scarce and difficult to collect. Secondly, even where such information was available it was not always easy to assess its precise significance in terms of the practical problems of competition and economic integration. Mr. Morse therefore welcomed the proposal of Mr. Ago, supported by a number of other speakers, for an inquiry into the facts regarding levels of labour costs, including social charges, into the problems of social policy arising from efforts to secure closer economic co-operation, and into the possibility of obtaining a greater degree of uniformity of social standards through wider ratification of Conventions. On the basis of this proposal he would make suggestions to the Governing Body for practical action. He appealed to all concerned in the European countries to give their fullest assistance in this difficult task.

The Director-General then referred briefly to the other main points emerging from the debate. On the question of mobility of labour, he noted with special interest the statement by Mr. Colonna, Deputy Secretary-General of the Organisation for European Economic Co-operation, that economic conditions in Europe could scarcely be more favourable than they are at present to a more liberal policy in the matter of the movement of workers from countries with a manpower surplus to those with a shortage of labour. The attention of the Conference had been drawn to the problem of readjustment of the workers concerned, to the need for retraining, and for the provision of suitable accommodation for transferred workers. All these problems—migration, vocational training and readaptation, workers' housing, and reciprocity in social insurance (which had also been mentioned by some speakers)—were problems that the I.L.O. had been studying for many years and in which it had already rendered services to many European countries. The I.L.O. would continue to fulfil its proper responsibilities in these fields, but there was a clear need for it to intensify its research and practical activities in them as a contribution to closer economic co-operation in Europe. With regard to labour-management relations also, the I.L.O. appreciated the need for a new emphasis in its work, and he proposed to give the General Conference next June an opportunity for a full discussion on this subject.

Referring to relations with the various European regional

---

1 At its 128th Session in March 1955 the Governing Body agreed that two small groups of experts should be convened—the one to advise on sources of information in the field of wages and related elements of labour costs in European countries, the other to study the social aspects of problems of European economic co-operation. Arrangements will be made later for a tripartite body to consider the findings of the two groups. The next session of the Governing Body will have before it proposals for action on other matters raised in the course of the discussion.
bodies, the Director-General considered that none of them had a clear mandate in the social field such as the I.L.O. had. He thought it would not be going too far to say that these other organisations looked to the I.L.O. to take the lead in social policy and social action to meet the needs and hopes of the people of Europe. The I.L.O. had the necessary organisation and competence, and the Conference had given it the policy guidance needed to plan a programme of action.

Summing up the implications of the debate for the future work of the Office and of the Organisation, Mr. Morse suggested that the main conclusion to be drawn was the need for full scientific and objective research on comparative conditions in the different countries. With the development of the I.L.O.'s operational work, there had perhaps been a tendency to take such research too much for granted. Research was, however, basic to all the work of the Organisation. This was true not only in such matters as producing full, objective information on labour costs and the incidence of social charges. Might it not be that the I.L.O. could play a useful part in promoting the exchange of experience between people drawn from industry in both Eastern and Western Europe, as had been suggested by Mr. Arutiunian, Government delegate of the U.S.S.R.? Full and authoritative information on social and economic conditions throughout the world could help to ease political tensions which thrive on misunderstanding and distortion of fact. Should not the Organisation seize the opportunity presented by its expanded membership to spread knowledge and mutual understanding among the States of Europe and of the world and thus widen its own horizons and open up avenues for more fruitful activities in the future for the benefit of all mankind?

Organisational Questions

A regional conference has not the same status as the International Labour Conference and is therefore not required to deal with the same administrative matters. It has to arrange for an examination of the credentials of delegates but, unlike the International Labour Conference, it cannot refuse to admit a delegate who, in its opinion, has not been nominated in conformity with the requirements of the Constitution. If a regional conference considers an objection to the credentials of a delegate well founded, it may simply draw the matter to the attention of the Governing Body, which may communicate the report of the Credentials Committee to the government concerned.

At the European Regional Conference an objection was lodged against the credentials of the Workers' delegate of France, but the
Credentials Committee did not consider it receivable as it was based on facts or allegations that had been discussed at the General Conference and recognised to be irrelevant or devoid of substance. The Conference confirmed this view.

The Employers' delegations of 17 countries present at the Conference informed the President that they had decided not to challenge formally the credentials of the Employers' delegates and advisers of Bulgaria, Byelorussia, Czechoslovakia, Hungary, Poland, Ukraine and the U.S.S.R., because the challenge could not be made effective under the rule quoted above. They wished to make it clear, however, that they did not accept these “so-called” employers' representatives as being any more than additions to or as being distinguishable from the Government delegations of these countries. When the Selection Committee discussed the composition of the committees of the Conference, it was found that the proposals of the Employers' group made no provision for seating delegates from the seven countries in question. Certain of these delegates appealed to the Selection Committee to grant them seats on one or more committees, and a proposal was made by the United Kingdom Government representative that they should be appointed as deputy members. This suggestion, however, was rejected by the Selection Committee by 8 votes to 11, with 7 abstentions. When the report of the Selection Committee came before the plenary sitting of the Conference, the same proposal was renewed by Mr. Ramadier, French Government delegate, on behalf of the Government group and was accepted, after long discussion, by 53 votes to 30.

Thereupon the Employers' group sent a communication to the President of the Conference on 29 January stating that, in view of this decision, “the group of employers of the free countries had unanimously decided to cease, as from that morning, to take part in the work of the technical committees. They would continue to participate in the work of the plenary sittings of the Conference, of the Selection Committee and of the Credentials Committee.” The Conference took note of this communication.

**Productivity**

The question of the role of employers and workers in programmes to raise productivity in Europe was referred to a committee, as

---

1 A fuller statement of the arguments on both sides on this point will be found in the article on the 37th Session of the International Labour Conference in *International Labour Review*, Vol. LXX, Nos. 3-4, Sep.-Oct. 1954, pp. 263-266.
were the other technical items on the agenda.¹ There is no need to describe in detail the work of these committees, as the main differences of opinion were reflected in the discussion of their reports in plenary session. The Committee on Productivity submitted to the Conference a draft resolution on the role of employers and workers in the matter. The preamble to the draft pointed out that a substantial increase in standards of living in Europe depended to a large extent on the achievement of higher productivity and on equitable distribution of the benefits resulting therefrom and of the total national income. The majority of the Employers’ delegates moved the deletion of the reference to “total national income” as bearing no relation to the problem, but the amendment was rejected by 60 votes to 26, with 1 abstention. After describing in general terms the goals of higher productivity and certain of the conditions for achieving it, including the need for governments to create favourable conditions, the draft resolution went on to define the role of employers and their organisations. It pointed out that primary responsibility for action to raise productivity in individual undertakings rested with management, which, in discharging this responsibility, must take into account problems of human relations and personnel policy, problems of a predominantly technical character, and problems of organisation in which both human and technical factors are involved. Reference was made to the need for effective two-way channels of communication within the undertaking and for the full participation of workers’ representatives and their trade unions in the planning and application of measures to raise productivity. On this point the majority of the Employers’ delegates proposed to amend the text so as to provide for “appropriate consultation of workers’ representatives on plans for securing increased productivity and, according to the normal practice of the country and industry concerned, on the application of the measures proposed”. They indicated that the term “full participation” of the workers, used in the draft, seemed to conflict with the earlier passage recognising the primary responsibility of management for action to raise productivity. Their omission of the reference to trade unions did not mean that they objected to trade unionism; the term “workers’ representatives” would include the unions wherever consultation with unions was the normal practice. The Workers’ delegates objected to the word “appropriate”, which they felt would be interpreted as meaning when appropriate in the opinion of the employer. Moreover, the Workers attached importance to actual

¹ The majority of the Employers’ delegates did not participate in the later stages of the work of these technical committees, for the reasons just given above.
participation in planning. The authority of trade unions in the matter should also be adequately recognised in the text. The amendment was lost by 57 votes to 29, with 2 abstentions.

The draft resolution went on to emphasise the responsibility of management for planning ahead so that higher productivity did not lead to unemployment and for working out arrangements, in co-operation with workers' representatives, to provide reasonable safeguards for the interests of workers affected by technological improvements. Reference was also made to the need for the training of personnel at all levels, and to the importance of such factors as relations between the worker and his supervisor, relationships within the working group and the satisfaction the worker got from his job. The special attention of management was drawn to certain possible methods of increasing productivity: a narrower range of styles or models, improvements in plant layout and the arrangement of work posts and, in many plants, a higher degree of mechanisation, especially of materials-handling operations. The draft recommended that everything should be done to spread knowledge of industrial engineering techniques, which must, however, be applied with appropriate safeguards and with due regard to human factors. No amendments were moved to these paragraphs of the draft text.

The next part of the draft resolution dealt with the role of trade unions and workers. It stated that the participation of trade unions in schemes to improve productivity would be influenced by the acceptance by management of the principle that the techniques of modern management methods and industrial engineering were part and parcel of industrial negotiation. The same group of Employers presented an amendment to this passage, the main purpose of which was to suggest that this was an area for consultation but not for collective bargaining. The techniques of management were outside the scope of bargaining, but consultation was desirable on the human aspects of the application of these techniques. The question of guarantees to the workers, on the other hand, was an appropriate matter for collective bargaining. In reply, the Workers' representatives pointed out that experience showed that large margins of error could arise in the work measurement assessments made by specialists in industrial engineering; there was therefore justification for negotiation with the unions on the techniques to be applied, since the workers were best able to judge the effort and strain they would involve for the individual worker. The amendment was rejected by 66 votes to 23, with 3 abstentions. The draft text went on to enumerate certain ways in which the trade unions could make a contribution to increased productivity: by co-operating in working out proce-
dures to safeguard the workers' interests; by convincing their members that technological improvements, with reasonable safeguards, were to be welcomed; by encouraging their members to participate in joint machinery; by providing, or participating in organising, training facilities for workers in business economics and in techniques of work study and industrial engineering. Here again, an Employers' amendment sought to replace "participation" by "consultation" and certain references to "trade unions" by "workers' representatives". This also was lost by 67 votes to 22, with 1 abstention. Mention was also made in the draft of the equitable sharing of the results of higher productivity and of the fact that workers in an individual undertaking could be expected to co-operate only if there were an immediate improvement in their standard of life. Several Employers objected to this latter phrase and wished to see it deleted. Eventually it was replaced by a text saying that workers could not be expected to co-operate "without the prospect of sharing, through an immediate improvement in their remuneration or conditions of work, the fruits of productivity increases". This was adopted by 59 votes to 4, with 22 abstentions.

The final part of the draft suggested some of the ways in which the I.L.O. could help to promote higher productivity. Its tripartite structure should enable it to extend the area of agreement between governments and the representatives of employers and workers, and it could provide a forum for the exchange of experience. Its research, publications and technical assistance could also be useful, and all these activities should be expanded. It was suggested that the I.L.O. should devote special attention to such matters as collecting comparable statistics of employment, productivity and wages, techniques of industrial engineering, adaptation of vocational training in the light of the progress of productivity, the special problems of small undertakings, the relationship between productivity and earnings, methods for giving workers a psychological and financial interest in programmes to raise productivity, the relationship between productivity and security of employment, promoting constructive industrial relations, and measures to promote the mobility of labour. Certain Employers wished to delete the references to the study of techniques of industrial engineering and the relationship between productivity and earnings. They also proposed some drafting changes so as to define more exactly the future tasks of the I.L.O. All these amendments were rejected by considerable majorities, and the resolution as a whole was adopted by 47 votes to 37, with 4 abstentions.

After the vote Mr. Fraser, Employers' delegate of the United Kingdom, stated that the Employers who had not taken part in
the preparation of the text had been unable to support the resolution. They considered that certain extraneous matter had been introduced; on some points they had suggested amendments, which had been rejected. Nevertheless, they fully recognised the constructive intention behind the resolution, some parts of which could have received their support.

The Financing of Social Security

The report of the Committee dealing with methods of financing social security benefits contained a draft resolution and draft conclusions. The resolution invited the Governing Body to instruct the Director-General to expand the collection of statistical data and the study of the evolution of systems of financing social security on a comparative basis. It also suggested an expansion of comparative inquiries into the economic and social incidence of resources allocated to social security and other social advantages and the regular publication of the results of all such studies. Finally, it requested that the studies should be submitted to the next session of the European Regional Conference “with a view to levelling social charges within the framework of general harmonisation upwards at the highest level of wages and social benefits in Europe”. The majority of the Employers considered that there was no point at this stage in envisaging another European Conference; they also agreed with a United Kingdom Government proposal to delete the reference to the levelling of social charges as prejudging the results of the Office studies. The deletion of this latter part was agreed to by 52 votes to 33, with 3 abstentions, but the Employers’ proposal to delete the whole paragraph was rejected by 66 votes to 18, with 2 abstentions. The resolution as amended was then adopted by 72 votes to 16, with 1 abstention.

A resolution that had been rejected by the Committee was reintroduced in the plenary sitting by the Workers’ delegates of Poland and the Byelorussian S.S.R. It proposed that social security should be financed by the State or the employers, or both, without any contribution from the workers, but that at the same time the right to administer social security funds should be guaranteed to trade union organisations at all levels. It also suggested that the question of revising the financial provisions of the Social Security (Minimum Standards) Convention, 1952, in accordance with the foregoing principle, should be placed on the agenda of a forthcoming session of the Conference. This resolution was rejected by 61 votes to 23, with 2 abstentions.

The draft conclusions of the Committee stressed the need, at the present favourable stage of progress in Europe, for concen-
trating attention on methods of financing. It should be borne in mind, they stated, that the effect of social security was a redistribution of the national income. In most European countries the income of social security came from three sources: insured persons' contributions, employers' contributions, and the participation of the public authorities from the fiscal income. But the relative importance of these sources varied considerably from country to country. In a number of countries, moreover, social security was financed entirely by the State. In determining the financial resources of social security, the most important elements to be taken into consideration were the kind of benefits, the scope of protection, the economic and social factors peculiar to each country and the traditions and customs of the country. The participation of the public authorities came in some countries from taxes and duties, in others from the profits of undertakings. Several Employers felt that there was no need in a general text to draw attention to this distinction; if it were indicated that the public authorities should participate, they should be left free to decide how to raise the money. An amendment to delete this phrase was rejected by 54 votes to 23, with 7 abstentions. The draft text went on to recommend participation by the public authorities as particularly desirable for certain types of benefit. An Employers' amendment to change this from a recommendation to a statement that participation by the public authorities was sometimes granted in these cases was rejected by a considerable majority.

After indicating the reasons which were held, in many countries, to justify the participation of the employers, the conclusions stated that the rights of workers to benefits and to share in the management of social security institutions derived from their work and not from their contributions. Certain Employers felt that this should be stated, not as an accepted principle, but as the view of the Workers, but their amendment to this effect was rejected by 63 votes to 18, with 2 abstentions. An amendment proposed by the Portuguese Government delegate to suggest that the above view was held "in some countries" was also rejected by 52 votes to 28. The conclusions stated that differences in the origin of the resources were not an insuperable obstacle to closer economic co-operation, but that it was nevertheless desirable to reconcile the more pronounced differences. The comparative advantages of contributions related to the amount of wages or income and those fixed independently of that amount were briefly indicated, as were also the relative merits of unified financing and separate financing for each branch of social security. The majority of the Employers expressed a preference for separate financing and felt that some of the advantages attributed to unified financing were
too categorically stated. The Conference, however, accepted the text as proposed by the Committee.

The conclusions pointed out that the financial equilibrium of the responsible organs and the sufficiency of liquid assets were essential conditions for the smooth functioning of social security, and suggested some of the elements governing such equilibrium. They stated that increased expenditure on social security was in all circumstances justified when it was more or less parallel to the national product as a whole. Certain Employers proposed rather to say that increased expenditure on social security "was not in itself dangerous" in these circumstances, but this was rejected by 63 votes to 22, with 2 abstentions. The need for regular and thorough actuarial analysis of social security schemes, particularly when important changes in legislation were contemplated, was also recognised in the text. The conclusions were finally adopted by the Conference by 68 votes to 18, with 3 abstentions.

THE AGE OF RETIREMENT

The conclusions of the Committee on this subject took the form of a draft resolution suggesting certain principles which should guide countries in making arrangements for retirement. The first was that legislation should provide that every worker who has completed a full working life is able to retire on an adequate pension. The pensionable age should, as a general rule, be fixed within the range of 60 to 65 years for men and five years lower for women. This question of age was the main point of disagreement. The Bulgarian Workers' delegate wished to fix the age at 50 to 60 years for men and 45 to 55 for women, but it was objected that if the retirement age were too low, pensioners would continue to work and might be prepared to accept a low wage, thus endangering the level of wages in general. The amendment was rejected by 63 votes to 23, with 4 abstentions. An amendment by the Danish Government delegate, supported by some of the other northern countries, proposed that the age at which a pension became payable should not be above the normal age of retirement from work, but might legitimately be lower. The purpose of this amendment was to take account of varying economic and demographic factors and the methods of financing social security schemes, which have an influence on the age at which a reasonable pension can be paid. To this it was objected in the first place that it was difficult to define the "normal age of retirement", and in the second place that it was undesirable to perpetuate a state of affairs under which workers had to go on working longer than they wished simply because they could not obtain a decent pension earlier. The amend-
ment was rejected by 57 votes to 31, with 2 abstentions. An amendment by the Government delegate of the Federal Republic of Germany to delete the reference to a lower pensionable age for women was also rejected by 52 votes to 19, with 16 abstentions. The draft proposed that pensions at lower ages should be provided in arduous or unhealthy occupations. An amendment by the Government delegate of the United Kingdom to make this permissive rather than a fixed rule was defeated by 58 votes to 28, with 5 abstentions. The resolution provided that workers who had reached the minimum pensionable age should be given an opportunity to continue working if they so desired, provided that suitable employment were available and that their work did not prejudice the interests of workers below that age. The next principle enunciated was that the amount of pensions should follow the same general trend as the cost of living. The Employers submitted an amendment to delete this paragraph on the grounds that it had no connection whatever with the age of retirement. The Workers' delegates, on the other hand, maintained that as the draft text laid down the principle of "an adequate pension" it was legitimate to indicate how it should be maintained at an adequate level. The Employers' amendment was rejected by 63 votes to 23, with 4 abstentions. The final clause of the resolution recognised that economic and demographic considerations might justify variations in the conditions of a pension scheme; such variations, however, should always take due account of rights acquired or being acquired. A proposal by the Bulgarian Workers' delegate to add a paragraph calling for a revision of the Social Security (Minimum Standards) Convention in accordance with the principles of the resolution was rejected by 57 votes to 22, with 7 abstentions. The resolution as a whole was then adopted by 65 votes to 17, with 10 abstentions.

HOUSING

The Conference had before it a resolution concerning housing construction, which was submitted by the Government delegates of the Federal Republic of Germany. After examination by a subcommittee of the Selection Committee, the text was discussed in plenary sitting, where certain amendments were submitted by the Government delegation of the U.S.S.R. concerning credit facilities and the reduction of building costs. These amendments, however, did not prove acceptable to the Conference, which adopted the resolution as it stood by 80 votes to 0, with 6 abstentions. The resolution notes that in some European countries there are "considerable numbers of people who either do not yet have any dwelling of their own at all, or have to live in most primitive and
unhealthy accommodation”. It should consequently be an objective of national policy to ensure the provision of minimum requirements for the accommodation of the people of the country, taking account of the size of families. In each country there should be one central body with responsibility for formulating and developing long-term and short-term national housing programmes. Representatives of employers' and workers' organisations should be consulted in the preparation of such programmes. Governments should especially endeavour to promote the construction of low-cost housing at reasonable rents for the broad masses of the people. In order to encourage housing construction, appropriate measures should be taken to stimulate increased investment in housing by private capital, in addition to financing by public funds.

With regard to financing, the resolution states that in the long run, and as a consequence of higher productivity, the relationship between wages (including family allowances) and rents should be such as to enable workers to rent modern, healthy housing out of their own income, without public subsidies. Reference is made to the need for public loans to finance housing construction and for housing subsidies, especially for the lower-income groups of the population. Among measures to reduce housing costs, mention is made of improved planning and organisation of work at the site, greater standardisation and unification of methods, and the application of modern research. The need for good labour-management relations in the industry is also stressed. It is pointed out that the development of long-term housing programmes should help the building industry by reducing seasonal unemployment, increasing productivity and reducing costs. Finally, reference is made to the need for ensuring that land required for housing development is available at reasonable prices.

**Conclusion**

In closing the Conference, the President said that it was too early to attempt even an incomplete picture of its achievements. The resolutions and conclusions adopted on the technical items on the agenda provided a basis for the useful development of the work of the I.L.O. in Europe. These conclusions had, of course, not been unanimous, but the negative votes on certain points by no means closed the door to co-operation among the three constituent parts of the I.L.O. He hoped that, when time had smoothed out the points raised in the somewhat acrimonious discussion, political differences would be set aside, and general social considerations would lead to constructive work along the traditional lines of the I.L.O.

He noted that in the general discussion many delegates from all
groups had expressed fears that there might be overlapping and disagreement between the many international organisations that now existed. Personally, he did not for a moment question the praiseworthy intentions of those who tried to bring peace nearer through setting up new organisations. He would simply point to the danger that, if there were too many organisations, each acting for itself and cutting in on the work of others, governments and peoples might become indifferent and disillusioned. It was clear, however, from the statements of the representatives of all the organisations that there was a sincere desire for co-operation. He welcomed this evidence of a constructive spirit and a will to bring the peoples closer together on essential points, and he did not doubt that all would work together to ensure peace in Europe.