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REMARKS MADE BY THE CONSULTANT FOR THE WORLD FEDERATION OF TRADE
UNIONS IN CONNECTION WITH ITEM 7 OF THE AGENDA (E/CN.1/32 REV.2)
TO THE TWENTY-NINTH MEETING, SECOND SESSION OF THE
ECONOMIC AND EMPLOYMENT COMMISSION

(Submitted to the Commission by the Consultant for the WFTU)

Mr. Chairman:

Allow me to explain to you and to the members of this Commission the circumstances that have made it impossible for the WFTU to bring before the Second Session of the Social and Economic Commission a number of concrete suggestions and recommendations related to the work of this Commission and specifically to international action that should be taken in order to maintain full employment and economic stability. It will be easily understood that the WFTU is watching and studying with extreme interest and great concern the different aspects of these problems. Several studies on subjects of primary importance to the economic situation in the world have been undertaken by the Secretariat of the WFTU. The results of these studies are intended to be brought to the attention of the United Nations Economic and Social Council and its Commissions. I regret to see that the Second Session of the Economic and Employment Commission and the Sessions of the Executive Bureau and the General Council of the WFTU are being held simultaneously and the studies to which I referred have to come before those organs of the WFTU, before they can be submitted here.

Although we would have preferred to hear this Commission discuss in substance the recommendations brought forward by World Labour, we may have to bring them directly before the Economic and Social Council in July,

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I wish to take advantage of the opportunity which is given me here to outline to you, broadly, the view World Labour takes with regard to the problem of maintaining full employment and economic stability.

It starts from the principle that full employment should be aimed at on the fullest international scale taking into account the potential economic resources of each country and organized in such a way as not to hinder full employment policy in other countries. Individual countries may have to face special problems in this connection, which would have to be solved with the help and co-operation of those other countries able to do so. In some highly industrialized countries, it may prove necessary to organize production so as to assure continuous employment to their workers. In others, less developed or lacking modern machinery, it may be necessary to equip the country with modern production means. In underdeveloped countries it may mean industrializing the country immediately in order to exploit natural resources and to fully utilize its manpower resources.

A full employment policy in all these countries implies increasing national income to a maximum, providing all the needed raw materials, equipping the country in need of it with modern production means and at the same time assuring full employment of manpower under the new conditions.

The WFTU believes that this can be done through an intelligent price and wage policy, a policy which deserves the most careful attention on the part of governments interested in effective measures for the purpose of maintaining economic conditions guaranteeing full employment and economic stability and for the industrialization of their country. It is only right to say that a low level of wages retards the progress of industrialization and higher standards of living. It retards the increasing productivity of labour. It retards social progress as well. Such conditions will never enable these nations to breach the gap between their own economic development and that of countries economically more advanced.

advanced. The under-developed countries, once they start with help of adequate international credits, to build up their economy, will be able to utilize their labour forces and create full employment for years to come, which will prove an advantage not only for the national market, but for the international market as well, and certainly for the industries of the highly industrialized countries. The increased national income is the best assurance for a nation's productivity. But this demands higher wages and control of prices and profits and a general policy of fair and adequate distribution of purchasing power. What would be the advantage for a nation to put all its efforts into enlarging its industrial capacity if it does not think at the same time of creating markets for its products by sufficiently expanding the income of the working population. The increased purchasing power of the wage-earner creates the new markets that will absorb the increased production.

The WFTU believes in the possibility of full employment on a world-wide scale. But this implies, as mentioned before, and I wish to emphasize this point, an internationally accepted policy directed towards the increase of national income and toward a distribution of purchasing power in favour of the wage-earner. It implies a control of profits and prices in order that wages remain really effective. We are witnessing a decline in the purchasing power of the working population. The Secretariat reports that wages in their relation to prices have deteriorated, although they have risen. This decline is a great danger to economic stability and full employment. Such a policy demands an effective system of international loans by making immediately available credits through the International Bank, and where these credits are inadequate, by expanding and supplementing its facilities. Such credits should not take the place of outright grants for meeting relief needs, particularly of food.

The WFTU does not believe that there must be, anywhere on this globe, countries that need to remain permanently backward. International political and social harmony can only be based upon allowing each country, however small it may be, the possibility to develop its economy, to produce goods and to furnish markets. If they need help from stronger and richer nations, this help should be given them without subjecting the countries economically weaker to the countries possessing great industrial and financial power.

This Commission should insist upon granting material and financial aid for the reconstruction of devastated areas. If it is not for sentimental and moral reasons, then let it be for practical reasons of averting a depression and maintaining full employment. The Commission should urge the International Bank to speed up credit operations to the most devastated countries.

We note with concern the recent statement of the Secretary-General that inadequate action has been taken by member nations to provide promised relief assistance, sufficient to meet minimum subsistence requirements and the prevention of retrogression in devastated areas and the FAO Report depicting the catastrophic situation facing several countries. We join the Secretary-General in urging that the resolution adopted by the General Assembly on relief, be translated immediately into real help to the peoples of countries in need.

I am not afraid of repeating myself. I think this repetition rather necessary, when I again stress that the WFTU believes in the possibility of an international policy for maintaining full employment and economic stability by increasing the purchasing power of the working population, by developing industries in less developed countries, by industrialization of new countries. The means for such actions can be provided partly in the respective countries themselves, and partly through international loans. The reconstruction of devastated areas should be given equal attention. Relief problems should not only be studied but result in

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practical measures for their solution. At this point I would like to draw your attention to the Report of the Special Technical Committee on Relief Needs after Termination of UNRRA, a report which furnishes you with all the information you may want to have concerning relief assistance for 1947. It is almost six months since this report was published: but how insignificant is the response to this report!

The demand for reports seems to be very great in this Commission. If real response were given to these reports, it would fully justify the claim, but if the Commission is going to continue to ask for studies and reports without taking practical action to implement the recommendations pointed out in these reports, the situation will become disastrous. A major crisis once developed will be almost impossible to localize in this direction. The first victims of depressions are the working men all over the world and they are the least able to bear it. The WFTU urges you therefore to recommend to the Economic and Social Council international action to be taken to prevent the world from a grave depression. Economic trends already point to it. Isn't it an appalling paradox to see that the nations were able to pool their resources for purposes of war? Should it prove impossible to do the same for the purposes of peace and happiness? It is hard to conceive. I wish to declare here that the WFTU will give its unrestricted support to the organs of the United Nations taking action towards maintaining full employment and economic stability, that will go together with social progress in order to create economic and social conditions that will enable the peoples of the world to live without fear of a catastrophe and which will be the real foundation of peace and happiness for all.
