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STATEMENT BY MR. LOUIS SAILLANT, SECRETARY-GENERAL OF THE WORLD
FEDERATION OF TRADE UNIONS, TO THE COUNCIL NGO COMMITTEE ON
FULL EMPLOYMENT AND THE RECONSTRUCTION OF DEVASTATED AREAS

11 March 1947

Mr. Chairman,

Gentlemen:

I avail myself of the opportunity granted to the World Federation of Trade Unions to offer you, on its behalf, a few remarks I feel I ought to make in connection with the report submitted to the plenary session of the Economic and Social Council by the Economic and Employment Commission. I wish to limit these remarks to the subject of economic development, full employment and the reconstruction of devastated areas. These remarks are, of course, based on social as well as economic considerations. The inter-relationship between the social and the economic aspects is such that it seems to me impossible to study the problem of economic development without touching on the social effect, just as it seems to me impossible to study a full employment policy without considering its economic repercussion.

Apart from these considerations, it is certain that economic development, full employment, and the reconstruction of the devastated areas are, at the present time, influenced by the results of the Second World War.

These various problems have one characteristic in common: the necessity, and it is one of the most essential ones, of increasing production. It must be pointed out in this regard that in a number of countries efforts to increase production are directed to attaining an economic level similar to that which existed in the immediate years preceding the last world conflict.

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I wish to state that the trade unions affiliated to the World Federation of Trade Unions are doing their full share, in all countries, to assist in the effort to increase production. They know that every possibility of economic development depends directly on this production effort. They know also that they must not regard as their sole aim restoration of the 1938 production level, as is too often suggested. This reference to 1938 levels could not be accepted as a basis for a policy of broad economic development, and full employment, with results advantageous to social progress.

We must not, I think, forget the various aspects of the economic depression which, from 1929 to 1938, changed the people's standard of living, affected the internal equilibrium of certain national economies and brought world economy face to face with problems, some of which had not been settled at the outbreak of the Second World War. I say this in order to throw into relief, against immediate objectives to be reached in regard to our present work, the necessity of having objectives of a wider scope, so that the work of peace may be a noteworthy work of reorganization of economic and social co-operation in the promotion of the welfare of the people and their security.

In this connection I must mention a fear, I might even say a touch of anxiety, which seized me when I examined certain parts of the document embodying the work of the Economic and Employment Commission. We believe that the powers given to the sub-commission charged with studying measures to contribute to the maintenance of economic stability and full employment ought to be widened. On page 18 of the English text of document E/255, Part VI of the Report of the Economic and Employment Commission, we read as follows:

"National or international arrangements in suitable cases, to promote due stability in the real income of producers of primary products, taking account both of the interests of consumers and producers regardless of country."

We think it is well to speak of the stability of the real income

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of the producer, but why not mention at the same time the stability of the purchasing power of the worker? We think that when speaking of economic development, it must not be forgotten that the workers must receive guarantees of the conditions of execution of a product.

Permit me, Mr. Chairman, Gentlemen, to stress the fact that the World Federation of Trade Unions would like definite recommendations to be made by the Economic and Social Council for additions to the text in question, in the sense of the proposal which I have just submitted. With regard to the same subject, it says under Point (iii) on page 19:

"The timing, to the extent which may be appropriate and practicable in the interests of employment policy, of capital expenditures on the projects which are either of an international character or are internationally financed; as well as the expansion of investments in less-developed countries as measures designed to maintain stability of employment during periods of depression in more highly industrialized countries."

We approve of the increase of capital investments in the relatively under-developed countries, for the purpose of maintaining employment stability and increasing the industrialization of these countries, but we should also like it to be stipulated that, in the less-developed countries, a policy of capital investment, should be accompanied by social measures for the maintenance or even the development of purchasing power. This stipulation is, in our opinion, absolutely necessary. We think the policy of capital investment ought not to be based only on consideration of the financial returns from invested capital but also on consideration of the social returns and social progress corresponding to these investments.

Mr. Chairman, Gentlemen, do there exist any real opportunities for economic development and for increasing employment apart from the maintenance, and even the progressive development, of the purchasing power, wages and income resulting from work? I do not think so. We should like to draw the attention of the Economic and Social Council particularly to the relationship which must exist between the development of a nation's

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economic capacity and the development of its social legislation and of the social rights of its workers.

We would like to call your attention to the following observation: in a number of countries, including some of the most important members of the United Nations, we have for several months been witnessing a decline in the purchasing power of the working population. It is no exaggeration to say that this phenomenon constitutes in itself a serious obstacle to economic development and social progress. It may even be a heavy mortgage on the future. A growing inequality in the distribution of the profits and income produced by labour often resulting in an ill-considered inflation in prices, does not in itself constitute a factor of economic development nor a serious possibility of increasing the volume of employment. The relation between prices and wages is considered as a key factor in any policy of economic development, increased production both of raw materials or semi-manufactured products, and of goods for consumption or immediate utilization. We ought therefore to consider the lack of balance between the movement of prices and the movement of wages, especially when it results in a reduction in standard of living and purchasing power. We should like to recommend the Economic and Social Council to consider these timely facts, this economic and social reality, which is at the present time influencing the economic and social policy of a large number of countries.

It would be prejudicial to the general interest to work out abstract plans without taking these facts and realities into consideration. For this reason we wish to recommend the Economic and Social Council to let these realities serve as a guide for its work, and to pay great attention to the question of the guarantee to be given to workers for the maintenance or improvement of their living conditions, welfare and social rights.

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Moreover, when we examine the practical means for the reconstruction of the devastated areas, we realized that whoever carries out this work is confronted by these realities. The great effort directed to this reconstruction ought also to serve as the starting point for future development. The obsolescence of industrial equipment in many countries was further accelerated in the course of the war, even where industrial installations were not systematically destroyed. In the work of reconstructing the devastated areas, we ought therefore to take into consideration the need for the renewal of industrial equipment which would permit progress in the technical field, progress which is indispensable to any intensive increase in production.

In the same way, the question of the reconstruction of the devastated areas is linked with the important question of town planning. The problem of housing, particularly for workers, seems in many instances to govern the possibilities of diverting manpower towards urgent work.

In this connection I would like to draw the Economic and Social Council's attention to the opportunities offered to it, or which may be offered to it, both by the International Co-operative Alliance and the World Federation of Trade Unions, when it comes to draw up the main lines of an international housing policy and the practical means of putting it into effect. I think a future agreement, already a foreseeable possibility, between the International Co-operative Alliance and the World Federation of Trade Unions, will furnish the Economic and Social Council with additional reasons for believing that it can go forward wholeheartedly on such a course.

Our attention has been drawn to the proposed establishment of the European Economic Committee. Through our World Federation of Trade Unions and particularly through our national trade union organizations, which are very active and highly developed in the European countries, we are ready to

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participate in the work of the European Economic Committee. I do not think that the Economic and Social Council will wish to be deprived of the co-operation of these trade union organizations which play so influential and important a part in economic production and recovery in every country of Europe. The majority of these organizations enjoy both rights and powers guaranteed by law, which make them direct participants in all reconstruction efforts and in the preparation of all plans relating thereto.

Permit me now, Mr. President, to say a few words regarding present conditions in the labour market. As we know, those conditions determine all production and employment policy though my remarks do not apply absolutely to all countries belonging to the United Nations, yet it must be said that on the whole the physical standard of labour is deficient, owing to privation, malnutrition and other consequences of the war. Furthermore, problems of occupational re-adjustment and re-classification are the result of disturbances in the labour market brought about by the war.

Finally, considerable bodies of labour are unemployed in certain countries. Thus, the Italian trade union organizations affiliated to the World Federation of Trade Unions have pointed out that at the present time there are more than two million totally or partially unemployed in Italy.

Other nations have a shortage of labour. This shortage is characteristic of certain occupations, for example the coal industry.

The Economic and Social Council must certainly take into consideration these various elements of the problem and bear in mind also the fact that the traditional trends of emigration, both voluntary and contractual, are now shifting, due to changes in the conditions of organization of the national economies of a number of countries. I have pointed out that in the coal industry in particular difficulties in recruiting labour have been noted. Part 12 of the report of the

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Commission on Trade and Employment, offers, I feel, an opportunity of introducing recommendations regarding measures to be taken to accelerate the development of coal production, the basis of all resumption of economic and industrial activity. In that connection, I would like to urge the Economic and Social Council not just to talk about the control and distribution, on an international scale, of goods of which there is a marked scarcity, and the problem of possible surpluses of goods, but to develop this part of the report in greater detail. I believe that is possible because the Commission has decided to defer examination of this problem until its next session.

Do you not consider, Mr. Chairman, that the title of Part 12 of the report should be the following:

Organization and control of the production and distribution on an international basis, of raw materials and goods, of which there is a marked scarcity, and the problem of building up stocks.

Thus I think there might also be included in this part of the general report of the Economic and Employment Commission, the important question of the production and distribution of coal on an international scale. These various remarks follow directly on the statements I have submitted regarding current labour conditions. That was intentional. I was struck, at an international coal conference attended by trade union experts summoned by the World Federation of Trade Unions, by the concern of those experts to provide for the establishment of a modern social status for mine workers. That status should be capable of attracting to the occupation of mining a considerable number of workers who now shun it, thus creating a shortage of labour which technical progress, even profitably applied, cannot fill.

I think I can assure the Economic and Social Council that our Federation will not fail to join wholeheartedly in the work which may be undertaken by the Economic and Employment Commission when it starts to study these problems.

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Finally, Mr. Chairman, I would state that the trade-union movement is watching carefully the economic development and the social legislation programmes of the economically weak countries, the mandated and the colonial territories.

We know from experience that standard of living is a function of the degree of industrialization, but what we should like to see is that in industrial equipment and economic development plans embodying the exploration of new wealth in the territories and countries just referred to, some consideration should be given to the establishment of new social rights which would guarantee full development of the human personality.

I think it appropriate to draw your attention to the initiative taken by the World Federation of Trade Unions, arranging a Pan-African Trade Union Conference due to take place in April in Dakar. The purpose of that conference will be to study working conditions and standards of living of native workers of the continent of Africa, and there is no doubt that study will extend to the problems of economic and industrial equipment of that continent which, as is well-known, offers very extensive possibilities of development.

Mr. Chairman and Gentlemen! I am now approaching the conclusion of my statement, which I shall present in the form of a recommendation. We should like to recommend to the Economic and Social Council that consideration of social rights should be the basis of every international programme of economic development and full employment. That means that for us the possibilities as regards economic development, and the volume of employment in the various countries must, in this twentieth century world of ours, be determined by a progressive social policy which, by laws and conventions, will raise the standard of living of the working people and offer them full security.

This charter of social rights should cover: guarantees of wages providing normal purchasing power, security, social assistance and insurance

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affording the socially insured party substantial aid in case of sickness or disablement, safe, healthy working conditions, holidays with pay and a pension scheme. Welfare measures for women, who have their place in modern economic life, and participate directly in production, and similar measures for child labour must also be embodied in this charter.

Far from being alien to a programme of economic development and of measures for promoting full employment, the elements of this charter of social rights for workers as outlined above may constitute the starting point for an effort towards increased production and continued employment leading to a balanced and stable world economy.

In undertaking this production effort in all fields after the enormous destruction wrought in many countries by the recent war, it is impossible not to reflect that this effort to produce, achieve and create cannot be alien to the formation of a new world order where the wealth produced by the labour of men will be placed at the service of the welfare and happiness of all human beings.
