

EXTRACTS FROM  
"THE WORLD  
OF INDUSTRY  
AND LABOUR  
1939"

BY  
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GENEVA

THE  
TWENTIETH YEAR  
OF THE  
INTERNATIONAL  
LABOUR  
ORGANISATION  
1919-1939  
PROSPECT • RETROSPECT

PRESENTED  
TO THE  
TWENTY-FIFTH  
SESSION  
OF THE  
INTERNATIONAL  
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JUNE 1939

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## NOTE

*On the occasion of each annual session of the International Labour Conference, the Director of the International Labour Office submits a Report on world developments in labour and social problems during the preceding year. The Conference usually reserves the greater part of a week for the discussion of this Report.*

*The reader will find in these pages two chapters from the Report, The World of Industry and Labour, 1939, presented by Mr. John G. WINANT, Director of the International Labour Office, to the Twenty-fifth Session of the International Labour Conference, held at Geneva in June 1939.*

*The passages extracted are: the Foreword to the Report, and the chapter entitled "Twenty Years", which deal especially with the future objectives and past activities of the International Labour Organisation.*

*After these passages an extract is also given from the speech made by the Director on 28 June 1939 at the closing sitting of the Conference, which was attended by 353 delegates and technical advisers from 46 countries.*

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## FOREWORD

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At this time in presenting to you the Director's Report the opportunity of pointing to clear skies ahead is not given to me—and the enumeration of the accomplishments of the Organisation during the closing year seems by itself inadequate.

The International Labour Organisation has been so fashioned as to promote in a practical way the ideals which it embodies. Its constitution proclaims as its guiding idea that social justice and world peace are inseparable. Its general principles state the important industrial and social policies by which this union of peace and justice may be achieved. Its method of framing international conventions and recommendations is intended to enable the different countries of the world to act in agreement for the purpose of improving working and living conditions so as to assure greater social stability within each nation and an increasing friendliness among the nations. No nation is too small to be outside its field of interest, nor so great and powerful that the people can ignore the problems with which the International Labour Organisation is concerned.

The history of the I.L.O. indicates the progress it has made in carrying out the ends for which it was created. The record shows that the I.L.O. has been aware of the dynamic character of economic and social life and has tried to adjust its activities to change and new demands. Its full contribution to effective international collaboration is not, however, to be measured only by these activities.

The meetings of the Conference have provided an international forum of a uniquely representative character. The delegates represent not only the social functions of government but the great organisations of employers and workers who are directly concerned with the solutions sought. Representatives so chosen could not think of social regulations apart from the real world in which they must be applied. On more than one occasion their awareness of the ultimate framework in which social problems must be solved has led the Conference to give expression to ideas or

which have influenced the development of world  
coll. in the widest sense.

Meeting in Washington in 1919 in the midst of the bitterness of war disillusionment, the first International Labour Conference invited Germany and Austria to immediate membership. The rightness of that decision has never been questioned. When the problem of reparations was under taboo, it was the initiative of the Labour Conference that brought it into the open for examination and discussion. And again, it was an Italian labour delegate at the Washington Conference who first proposed that there be created some system of distribution under international control for the fair allotment of the raw materials of the world.

Long before the World Economic Conference of 1927 was called, a workers' delegate proposed the convocation of an international Conference, which should comprise qualified representatives of all the important organised economic factors: commerce, industry, agriculture, labour and consumption. When the history of the efforts towards international understanding during the last twenty years is written, I am confident that these initiatives taken at the Conference will be given a high place in the record.

On the present occasion it is inevitable that delegates will be more preoccupied than ever before with a general situation which gives rise to universal and profound anxiety.

In an earlier Director's Report appears the following: "And yet, there is such a state of general panic that a policy of economic armaments is being adopted on all sides, on top of the policy of military armaments." That was written in 1932. To-day we know the extent to which it is true and how far this policy has drawn the world toward economic and political strife and the increasing dread of world war.

It is not an easy matter to face the realities of the present situation and to continue to function within the limits of a non-political organisation, because the tasks we must set ourselves to do are necessarily influenced by the disturbances and confusions in the world in which we live. But I am certain that neither Member Governments nor non-Member Governments would wish to see the International Labour Organisation used as an agency of foreign policy in the field of politics. On the other hand, in approaching labour and social problems we are forced to face the economic consequence of war and peace. This holds whether it be in relation to trade conflict or war economy.

The degree to which opposing policies have compelled universal

military preparedness, and the influence that such action has had on the everyday life of people, is very much the business of the International Labour Organisation. We know that the diversion of a substantial part of the total income of any nation from useful production and services to armaments reduces standards of living. We know these costs are added to each loaf of bread we buy, to every acre of land we cultivate, and to the length of day we labour to earn a living.

These costs are the realities under the intangible shadow of war. "What", asked Carlyle a hundred years ago, speaking in quite unofficial language, "is the net purport and upshot of war? To my own knowledge, for example, there dwell and toil, in the British village of Dumdrudge, usually some five hundred souls. From these, by certain 'Natural Enemies' of the French, there are successively selected, during the French war, say, thirty able-bodied men: Dumdrudge, at her own expense, has suckled and nursed them; she has, not without difficulty and sorrow, fed them up to manhood, and even trained them to crafts, so that one can weave, another build, another hammer, and the weakest can stand under thirty stone avoirdupois. Nevertheless, amid much weeping and swearing, they are selected; all dressed in red, and shipped away at the public charges, some two thousand miles . . . and fed there till wanted. And now, to that same spot . . . are thirty similar French artisans, from a French Dumdrudge, in like manner wending; till, at length, after infinite effort, the two parties come into actual juxtaposition, and thirty stand fronting thirty, each with a gun in his hand. Straightaway the word 'Fire' is given; and they blow the souls out of one another; and in place of sixty brisk useful craftsmen, the world has sixty dead carcasses, which it must bury and anew shed tears for. . . . Alas, so is it . . . in all other lands. . . ."

War not only affords no solution to the human wants with which peoples are confronted but is the very negation of everything they seek. The existing condition of "near war", though not so terrible in immediate destruction, produces results which are not wholly dissimilar in a slower though no less certain way.

The present state of armed peace means the speeding up of production, a concentration of productive energies on non-productive activities, the diversion of groups of the population to military service, the decrease of the supply of labour relative to the demand, the rapid increase in public budgets and the necessity of having recourse to loans to meet military expenditures, the

inflationary effects of such fiscal policies, an inevitable tendency towards a rise in the cost of living and the hardship which that necessarily entails on the masses of the population. As these manifestations are prolonged, they become steadily aggravated and the wastage they involve is not very different from that which would be produced by war itself. Their social consequences do not need to be underlined to a body such as the International Labour Conference. The desire to speed up production leads to a prolongation of hours of work, with resulting danger to the health and safety of the workers. The standards set by protective legislation and by collective agreements with regard not only to adult workers but also to young persons are endangered. These developments, combined with the tendency for wages and earnings to fall behind prices as a result of inflationary conditions, lead to friction between employers and workers over the whole area of industrial life unless foresight and constructive action prevent. An attempt should be made to anticipate the needs arising from these situations and to outline a basis for international action.

Rearmament cannot continue at the present rate of acceleration without eventually absorbing so much of the national income of many countries as will prove intolerable. A point may come when defence expenditure will cause actual starvation in the lower income groups. Before this happens, it may be hoped that some general international settlement will intervene. But it must be realised that even in this case most countries in the world would have to face the tremendous problems of readjustment to a peace-time economy. Serious economic re-employment problems will arise demanding urgent solution. Some means of absorbing the workers thrown out of employment by the slowing down of armament production—or, in other words, of facilitating the change-over of industry from armaments to normal peace-time production—will have to be devised. In facing these difficulties, the machinery of the International Labour Organisation with its possibilities of analysing experience and information drawn from many countries and the contacts which it can provide between Government officials and workers' and employers' leaders, who will be engaged in this task, can be of immense value.

But to be of the greatest possible service when the time of readjustment arrives, it is essential that we direct our energies now to the problems that lie ahead. Our research staff must begin in this period of tension and uncertainty to study the practices already applied in earlier periods and in different regions. It may

be that by full use of the world's experience some of the trials and errors of the past need not be repeated. Indeed, whatever the world situation, the work of the International Labour Organisation retains its importance. And if new and different tasks are thrown upon it, it is comforting and encouraging to realise that the Organisation is no longer a novel and untried instrument. During the last twenty years the very stresses and strains to which it has been subjected have strengthened its fibre and perfected its technique. In the recent difficult budgetary crisis which it has had to meet proof has been given that the collaboration between Governments, workers and employers within its framework has led to a deep and sincere appreciation in all three groups of their community of interest in its maintenance and success. It is that fact which, more than any other of the multiple achievements which it can claim, leads me to affirm my confidence in its future and in its ability to make contributions of the first value in any circumstances we may have to meet.

In order that it should be able to function effectively, it must however have at its command the necessary resources.

One of the first acts that was required of me on taking office as Director in January was to bring about a balance between income and spending, which required a reduction of the Office staff. This was necessitated by the withdrawal of certain Governments from the Organisation and the non-payment of others through forced liquidation. Other economies have been written into the 1940 budget. We cannot spend what we have not got, but eliminating useful people and curtailing services at this time in my judgment is not wise policy.

Those of us who work here have come because we believe in peace and social justice. In a world in which we are annually spending something like sixteen billion dollars on armaments, and in which over eight million men are under arms, the handful of us who are here are all too few.

It might be well to remind the peoples of the world that the total capital investment in the Peace Palace of the League, the Agricultural Institute in Rome, the Permanent Court of International Justice at The Hague, and the International Labour Organisation in Geneva, is less than the cost of a modern battleship and those who work in the Institutions named number less than a single regiment. It has been said that "where a man's treasure is, there will his heart be also". There is much that is precious to man in the pursuit of peace and in the realisation of social justice, but

if we are to pursue them in the international world we must give the necessary material support to measure our caring. The total budget of the International Labour Office for 1940 is 9,090,000 Swiss francs—or just over two million dollars. I have no hesitation in saying that it is inadequate to enable the Organisation to meet the calls which are made upon it.

Since we are essentially a service organisation dependent for membership on a use basis, I am deeply disturbed lest a policy of continuing economies should seriously affect the growth and the enlarging field of influence of this Organisation, which has continued now these twenty years. I therefore earnestly ask that you, who direct our activities and have knowledge of the situation in which we find ourselves, will petition your Governments, on returning home, to maintain contributions on a level that will permit us more adequately and completely to serve them and the people whom they represent. I make this plea confidently, because the Member States, acting individually and through the unanimous vote of the Governing Body, have pledged themselves to maintain the activities of the Organisation even in the event of war.

Nor are the obligations of peace for us less real than those of war. Harold Butler, my predecessor, suggested a short time ago that "the chance of remaking peace may come like a thief in the night", and then added, "But unless the implications of a real peace, and particularly its economic implications, have been thought out in advance, unless statesmen and peoples can see the issues with clear eyes when the critical moment comes, the chance may again be lost as it was lost in 1919".

It was the first Director, Albert Thomas, who asked: "What is needed for carrying out the work of peace and justice of which glimpses were seen at the end of the war?", and who replied, "The answer is the same as it always was—simply faith and determination".

I think we should keep these two thoughts in our minds. It is natural and indeed inevitable that in present circumstances the minds of statesmen should be concentrated on the problem of the security of their countries. I would not say one word which would weaken the determination of the Member countries to protect themselves against aggression and to preserve those democratic institutions which are the hope of mankind. More quickly than we have dared to believe, that very determination may give us a new chance for security and peace without war. At the present time, the invitation of President Roosevelt to a general economic

## FOREWORD

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conference still stands. I hope and believe that an exchange of views by the nations may pave the way toward that enduring peace that was hoped for so fervently in 1919 by a weary soldiery and a war-torn world. For this too we should be prepared. It may mean for us the opportunity to clarify the social objectives of a lasting peace. The workers will measure the value of any settlement by the improvement that it brings to the conditions under which they live and work. It should be our part to have ready a practical social programme that would assure to the common people recognition of their ultimate needs. If the opportunity is given, we should accept it with the faith and determination of which Albert Thomas spoke, and use to the full all the great resources and potentialities of the International Labour Organisation.

Just as the world economic crisis caused the International Labour Organisation to expand its activities to meet the demands made upon it, and thereby enlarged its influence and membership, so the present international political crisis calls not for a contraction of activities but for an increasing effort and greater energy.

In commending this Report to you, may I leave you with a single thought. Across from the International Labour Office is a statue symbolising the workers of the world. It was erected in grateful memory to Albert Thomas. Cut in the stone is this sentence: "They did not take my life. I gave it." Let us see to it that we do no less.

JOHN G. WINANT.

*10 May 1939.*

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