

**NORTH ATLANTIC COUNCIL DEPUTIES  
SUPPLEANTS DU CONSEIL DE L'ATLANTIQUE NORD**

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WORKING GROUP ON THE NORTH ATLANTIC COMMUNITY

LABOUR MOBILITY

Report by the United States delegation  
for consideration by the Working Group  
on 17th January 1952

I. RESULTS OF THE BRUSSELS MIGRATION CONFERENCE

At Brussels sixteen nations - Australia, Austria, Belgium, Bolivia, Brazil, Canada, Chile, Federal Republic of Germany, France, Greece, Italy, Luxembourg, the Netherlands, Switzerland, Turkey and the United States agreed to form a "Provisional Intra-governmental Committee for the Movement of Migrants from Europe." The United Kingdom abstained but participated in all of the deliberations of the committee.

The operational funds will be almost entirely used for the cost of transportation and subsistence for the migrants. This cost includes the taking over and operating of the vessels formerly used by the IRO, the latter organization having gone out of existence on December 31, 1951. The Committee adopted a first-year budget of \$36,594,000, an amount expected to finance the movement of about 116,000 migrants. The initial condition for membership in the Committee is contribution to the administrative fund. The amount to be contributed to the operation fund is left open. The United States legislation provides for the availability of \$10,000,000 for the purpose of the Committee but the commitment of all of this fund by the United States is contingent upon other contributions. Services rendered directly by governments will be considered as contributions to the fund. The current plan of expenditures for one year is tentative but is believed to be adequate to permit first contributions.

Tentative quotas for countries receiving migrants during the first year are as follows: Canada 40,000; United States 25,000; Australia 25,000; Latin American Countries in toto 20,000; New Zealand 1,000.

Quotas for the countries of immigration have not yet been firmly allocated but it is considered that the bulk of the 116,000 which are expected to begin to move in 1952 will be refugees.

The naming of a permanent director of the Committee was not settled. Mr. George Warren of the United States and M. Frans Leemans of Belgium were elected temporary co-directors and Geneva has been selected as the interim seat of the Committee. Ratification of country's membership in the Committee remains to be brought about. Membership in the Committee is left open upon the condition of contribution to the administrative fund. The next meeting of the Committee will take place in January or February at which time the director is to be appointed.

/At no time

At no time during the course of the conference was the question of intra-European (or intra-NATO) migration or labor movement considered. The delegates considered that they were in Brussels to accomplish the specific purpose of moving migrants to overseas territories in order to carry on work similar to that which the IRO had done and there was no disposition to consider, or to include in the frame of reference of the Committee, any questions other than this single and immediate objective. In general, it can be said that the delegates, even in informal discussions, showed little disposition to concern themselves with other general manpower problems.

## II. THE WORK OF THE OEEC MANPOWER COMMITTEE

Article 8 of the document adopted by the Convention for European Economic Cooperation in 1948 established the policy of the fullest and most effective use of available manpower together with cooperation in the progressive elimination of obstacles to the free movement of persons. Later in 1948 a Manpower Committee was set up within the OEEC. Since then this Manpower Committee, and numerous working parties which have been adjunct to it, have considered the complex of problems relating to manpower, unemployment, migration and labor mobility and have prepared a considerable bulk of reports on aspects of these problems. The Manpower Committee has directed its attention to many facets in this field; Gathering information by means of quarterly reports on the manpower situations in the members countries; enumerating the statistical methods used in various countries for determining surpluses and shortages in manpower; the problem of immigrants remittances; the question of social insurance coverage; vocational training; housing; agricultural unemployment and shortages and have produced periodic general recommendations to the OEEC Council for the easing of restrictions on the free movement of labor and the adoption of plans for organized migration or temporary movement of workers.

The results have generally been that the Council accepts the reports. At most it has proposed that member countries consider the recommendations in question.

Acting under instruction from the Council, the Manpower Committee, during 1951, has attempted to consider manpower from the standpoint of expanding defense production but it has been handicapped by not knowing the magnitude and location of such production. Whereas, in other studies that the Manpower Committee has undertaken it has at least been able to state the measures which should be taken, were the Council members disposed to act, in this field their efforts have so far produced no specific data and have not resulted in any evaluation. It can be fairly said that the work of the OEEC Manpower Committee, over the course of over three years, has not directly resulted in the movement of one individual. Its studies may have served to focus some attention on the manpower problem and may have been of assistance in facilitating the mechanics of transfer in cases where individual governments have entered into bilateral arrangements. The fact that this work has not resulted in any action is not a criticism of the work of the Committee, but rather a confirmation that no studies, surveys, questionnaires or committee recommendations will themselves serve to move people; in order to move people the action of governments is required.

III. SUMMARY OF GENERAL MANPOWER SITUATION IN THE NATO COMMUNITY

Presented herewith, for the information of the members of the Committee of Five who may not be aware of some aspects of the general NATO manpower situation, is a highly summary estimate and condensed brief of the current manpower situation. A more refined picture could be developed from available information but there are numerous voids in the information which is available from any one source.

Whereas prior to 1951 the manpower problem in Europe was (with the exception of chronic shortages in almost all mining areas and prevalent but manageable agricultural shortages) one almost exclusively of surpluses, the steady increase in total employment from 1947 onwards has served to change the problem from one of simple surplus to one of surplus-shortage. The surpluses, highly concentrated in Italy and West Germany, greatly exceed in magnitude and as a social and political problem, the present shortages and any which may be reasonably expected even if the maximum increase in European production is brought about. The need for continuing migration from Europe to overseas territories is thus apparent.

Certain general manpower facts and predictions can be positively stated:

- (a) There will continue to be a great shortage of miners.
- (b) Building trades labor will be in generally short supply.
- (c) Shortages will grow and new shortages appear in engineering, metal trades and steel.
- (d) Housing will be a severe limitation upon full labor utilization in virtually every shortage area.

Country-wise, it can be stated that Norway and the United Kingdom will be increasingly characterized by full or over-full employment; Belgium, while experiencing moderate unemployment in some sectors, will have some degree of shortage in others; France will experience some shortages and the degree to which domestic readjustments will compensate for them is problematical; the Netherlands, while characterized by a growing over-all population in younger age groups, may have little excess and probably some stringency, in some working sectors of the population; Italy will continue to have very large and pressing surpluses in a significant range of skilled and unskilled workers; West Germany will have coexisting shortages and large surpluses; Denmark and Luxembourg will be relatively stable, with spot shortages. If production output attempts to reach the 25% increase goal set by the OEEC Council, all the shortage aspects of these predictions will be aggravated.

In Belgium, a country whose general rate of increase in population is diminishing, the over-all picture is one of relatively full employment. In recent years there has been a certain amount of troublesome unemployment in certain sectors of the economy along with a shortage of labor in others. The number of people employed has increased in the last three years in Belgium at an appreciably greater rate than the size of the population of working age.

Partial unemployment has consequently declined. A conspicuous shortage exists in the mining and quarrying industries and vacancies there are almost unlimited in spite of the 25,000 Italian workers who have been issued permits to work in the Belgian coal fields. The general increase in employment has taken place in sectors manufacturing production goods while the situation has remained stable in other sectors. The engineering industries, metal industries and iron and steel industries have shown the most marked increase. There are shortages of specialized and skilled workers not only in the mining industries but in the building trades, in engineering and in timber. Although it is difficult to predict, it is believed significant increases in defense production would result in impending shortages of both skilled and non-skilled workers in metal, iron and steel and engineering industries in addition to those now existing in quarrying and mining. Shortages for certain types of highly skilled workers exist in all sectors, including those in which there has been some general unemployment.

In France the working population will not increase. There is generally full employment but considerable room exists for fuller utilization of manpower. However, there are shortages of skilled and semi-skilled workers in the building trades, underground workers in mining of metal workers and skilled workers in textiles and iron and steel. The domestic reorientation of employment which is theoretically sound in France would involve major changes in the traditional economic pattern. Shortages are showing themselves here and there in defense industries. Airframe production in one area could be increased if labor were available for another shift. France, of course, will supply the major portion of construction labor for infrastructure and Finance Minister Mayer, in his October report, recommended immigration of foreign construction workers.

In Germany employment has risen steadily since the war but the rise in active population has also been far above normal. In the past year the largest increase of employment was experienced in the building industries and allied trades. The iron and metal industries, engineering, steel and vehicle construction also experienced distinct increases in employment. There are still about 1,250,000 unemployed in West Germany. Nevertheless, shortages have been experienced for some time in agricultural labor and in the building trades and a general shortage, due to lack of housing, exists in The Ruhr.

Information concerning possible shortages in Norway is not precise but it is estimated that the normal increase in the population will not be sufficient to off-set the new demands created by defense preparations. Manpower stringencies are considered to be a limiting factor in the magnitude of off-shore procurement by the United States of military end items which might be undertaken in Norway. There are shortages in the building and metal trades and observers believe that substantial numbers might profitably be employed in the timber industry.

The United Kingdom, of course, is characterized by full or over-full employment and the chronic shortages in coal mining are well-known. There is undoubtedly considerable elasticity in labor availability in the United Kingdom but the material available seems strongly to indicate that the availability of additional labor in a number of sectors would result in greater production at present and would greatly assist in the contemplated expansion.

Considerable detailed statistical information, too lengthy to be reproduced here, is available as to the United Kingdom. The monthly index of unfilled vacancies is generally much higher than the index of registered unemployed, e.g., October - vacancies 410,000, unemployed 264,000. Prominent shortage sectors, in addition to coal mining, are in textiles, iron ore mining, quarrying, iron and steel, and railway maintenance.

In Denmark there are moderate stringencies in metal industries, building trades and textile industries while in Luxembourg there are opportunities for the profitable employment of additional workers in building industries and importation of additional labor for the iron and steel industries as recommended by the TCC Report, would increase production.

#### IV. EFFECT OF DEFENSE PRODUCTION

Against this sketchy background is it possible to weigh the effects of increased defense-related production? One such attempt has been made, for continental NATO only, by the DPB in DPB/SP-11. In that study, additional production in the nine major materiel categories of 3-1/2 billion (beyond presently planned production) was assumed. Annex IV of that document calculates the additional labor needs for the activation of the production capacity over and above the presently planned programme (which in turn have been only about 1/10th contracted for) to be in the following amounts for manufacture and assembly:

	<u>1st half</u> <u>1952</u>	<u>1952-1953</u>	<u>1953-1954</u>	<u>1954-1955</u>
Belgium	22,000	52,000	76,000	27,000
Denmark	-	3,000	5,000	3,000
France	42,000	138,000	218,000	77,000
Italy	49,000	128,000	192,000	71,000
Netherlands	7,000	22,000	38,000	14,000
Norway	-	4,000	7,000	2,000
Total	<u>120,000</u>	<u>347,000</u>	<u>536,000</u>	<u>194,000</u>

and approximately 300,000 additional man years for indigenous production of raw material and semi-fabricating. Time-phasing this over-all total in accordance with the time-phasing of the above table, we would get a peak load figure of about 225,000 additional workers required in 1953 for raw material requirements. Thus 761,000 additional workers will be required in 1953-54 to activate this production.

If we assume that the additional production which was scheduled in DPB/SP-11, plus the production presently planned but not contracted represents, in approximation, the maximum continental European production which will ultimately be activated by the sum total means of presently planned production, increases in indigenously financed production and the off-shore procurement of end-items in continental Europe, there are a number of additional manpower requirements which have not been estimated. In the first place, the additional manpower needs of the United Kingdom, Canada and the United States, countries already characterized by generally full employment, are not included. In the continental and other NATO countries, the additional men of working age required for armed

forces build-up must be subtracted from total availabilities. Then, the DPB figures of required manpower only represented those necessary to accomplish production in the nine major materiel categories. Supply of the augmented forces with services and soft goods and equipage items outside of these hard goods categories will require additional manpower. Also there is the infrastructure and LOC programs, the manpower needs of which would add appreciably to the total. Even without considering these additional manpower drains, DPB/SP-11, in discussing the physical feasibility of the additional production, made the assumption that "active steps for the recruitment and training of labor" would be taken.

It is undoubtedly safe to assume that (1) the needed manpower (the 761,000 peak of the DPB table, plus military personnel, infrastructure program, and military services and goods outside the major materiel categories) does not exist in excess in each of the countries separately and (2) the over-all European manpower pool is sufficient (in numbers at least) to supply the needs.

There remains to be determined to what degree the additional needs can be supplied by the various automatic readjustments and government measures which can be taken within national boundaries. Some additional production can be achieved in many plants without significant additional employment. When this slack is taken up the employment of women and others not now actively seeking employment (and, hence, not appearing presently as unemployed,) greater man-hour productivity, individual shifts from less productive pursuits, and organized transfer and retaining of domestic workers will undoubtedly go very far in supplying the required workers; in a peacetime economy, however, it is not desirable to call too heavily on human resources which must be reserved for extraordinary efforts. However, although somewhat speculative, the indications are that some countries, at least, will have to depend upon the importation of foreign labor in order to fully utilize physical production capacities.