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The First Reconstruction Measures in Liberated Belgium

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With the liberation of the occupied countries, the various plans, national and international, for post-war reconstruction are gradually being put to the test. An account was recently given in the Review *of the measures taken for reconstruction in Luxembourg after the return of the Government to the Grand Duchy.*[1] *In the following pages a similar survey is given of Government action during the first four months after liberation in Belgium, that is to say, before the recent change of Government which was brought about in consequence of the difficult situation depicted here. The article deals mainly with the monetary measures taken to counteract inflation and the far-reaching programme of social reform which is being brought into operation by degrees.*

THE SITUATION IN SEPTEMBER 1944

ON 3 September 1944 the first soldiers of the United Nations entered Brussels. A few days later the greater part of Belgium was liberated and the Belgian people could once again breathe freely. But, owing to the war and enemy occupation, their country was in a critical economic and social condition.

During the fifty-two months of enemy occupation Belgium had been systematically drained of its substance. Reserves had been carried away or used up; public finance had been weighed down by crushing debts; the currency had been expanded by a soaring inflation, accompanied by a corresponding lowering of consumption, and people were living on what remained of the stocks of goods they possessed in May 1940. The daily food ration provided a bare 1,300 to 1,400 calories, so that

[1] Cf. *International Labour Review*, Vol. LI, No. 3, Mar. 1945, pp. 330-335: "Reconstruction in Luxembourg".

for more than four years most people had been in the habit of buying additional food on the black market; and since prices there were from 250 to 1,700 per cent. higher than pre-war prices, the actual cost of living had risen far more than the official cost-of-living figure. Yet it must be remembered that in some ways Belgium had been less ravaged by the war than other countries. It is true that many factories were destroyed or seriously damaged, but, on the whole, industrial equipment was not put out of action, and production will be resumed when raw materials are again procurable. The coal mines—Belgium's only great natural wealth—were also unharmed. Unfortunately, a large number of workers had been deported to Germany; and there was also a complete breakdown of transport, constituting a major obstacle in the way of a return to normal economic conditions. Lastly, the war still continues; Belgians are again called upon to play their part, a call to which they will respond all the more readily since the recent counter-offensive that surged over their country, devastating some of their provinces once more.

Actually, liberation did not bring with it any appreciable relief in the supply situation. In spite of their efforts, neither the Government of May 1940, on its return from London, nor the new Government set up at the beginning of October 1944 has been able to break the illegal traffic in foodstuffs. Belgium, it should be remembered, is a country which before the war used to obtain about half its food requirements from abroad. To meet the most urgent needs, the High Command of the Allied forces placed several thousand tons of foodstuffs at the disposal of the competent departments, a generous gesture which was welcomed gratefully by the whole nation. Yet this could only serve as a palliative, for what the country needed and still needs is large-scale imports. Towards the middle of December the first ship bringing a cargo for the civil population moored at Antwerp, but the flow of imports is still a mere trickle, much too slow and thin to meet the needs of the situation.

Other serious shortages are coal and industrial raw materials. In spite of the fact that less fuel is needed now than before the war, production remains insufficient, and even the amounts produced cannot all be distributed. However, some factories have been reopened, particularly those which use relatively little coal, such as those making glass, certain drugs, and soda, and have thus delivered thousands of workers from the scourge of unemployment. In the meantime everything possible is being done to increase the production of coal, one method being the distribution of supplementary food rations to the miners. But there is a shortage of pitprops; the number of workers has declined; and output per head is lowered by the malnutrition of the workers. Belgian industry has normally to import the greater part of its raw materials, and private negotiations to this end have been undertaken, with Government approval; but here again the transport problem is the crucial difficulty, and nothing much can be done until military needs allow the transport of goods in the necessary quantities.

The Gordian knot of all the economic difficulties clearly lies in the problem of transport. What rolling stock is left is falling to pieces; the motor vehicles still on the road are in a pitiable condition; inland navigation has been handicapped by the destruction of bridges, canals, locks, etc. In addition, the armed forces obviously must have absolute priority as far as transport is concerned, which means that even the most urgent civilian traffic cannot always be provided for. Conditions are so critical that the Government will have to consider the expediency of imposing a total mobilisation of all means of transport that are still available.

Such in outline were the difficulties of the situation. But they did not prevent the Government from embarking on a constructive social policy immediately after liberation.

Social Measures

Wage and Salary Increases

As a first move towards increasing wages to meet the high cost of living, the Government called together employers' and workers' representatives for an emergency discussion of the wage increases which were admitted on all sides to be indispensable. Since the future movement of prices and the cost of living could not be foretold, the increases decided upon were to be provisional, valid only till more information was collected. A National Labour Conference was convened as early as 16 September[1] under the chairmanship of Mr. Pierlot, the Prime Minister, which rapidly and unanimously adopted the following decisions:

(1) The wage rates in force in May 1940 shall be increased by 40 per cent.;

(2) A bonus of 20 per cent. on the same wage rates shall be granted to counteract the temporary food supply difficulties;

(3) The hourly wage rates including the bonus mentioned in paragraph 2 shall not be less than 6 francs for women aged twenty-one years, 8 francs for unskilled workers aged twenty-one years, and 10 francs for skilled workers;

(4) The adjustment of this basic measure to the particular circumstances of each industry shall be regulated by joint committees;

(5) The above measures shall be applied retroactively from 1 September 1944;

[1] Cf. *International Labour Review*, Vol. L, No. 6, Dec. 1944, p. 783.

(6) The bonus of 20 per cent. and the minimum rates specified in paragraph 3 shall be reviewed as soon as the food difficulties are overcome, and in any case not later than 31 October 1944;

(7) The Government declares that it will consider a plan for the substantial extension and improvement of social insurance schemes, including family allowances.

In addition it is agreed: (*a*) that suitable regulations shall be made concerning any fines that have been paid by workers in virtue of German Orders, and that in any case where these moneys are still in the hands of Belgians they shall be refunded immediately; (*b*) that measures shall be taken to help workers to re-equip their homes and buy clothing and furniture as soon as the supply of these articles makes this possible.

Effect was given to the first five decisions with very little delay, while the sixth has had to be postponed because of the continued food shortage. In practice, therefore, a wage increase of 60 per cent. over the May 1940 level is in operation until further notice. As to the seventh decision, the Minister of Labour and Social Welfare, Mr. van Acker, at once set about its realisation, as will be described below.

The decisions taken by the National Labour Conference with regard to wage earners also served as a guide in fixing the remuneration of salaried employees — a class of workers who had never before benefited from the intervention of joint committees, since the employers always held that their remuneration should be fixed individually and by direct agreement. Now the principle of collective negotiation has been conceded, and in consequence a semi-official joint committee, the Advisory Committee for Salaried Employees, was set up under the auspices of the Ministry of Labour and Social Welfare, on which the principal employers' organisations and all the unions of salaried employees were represented. After somewhat laborious discussions, this Committee issued a relatively complicated set of recommendations, the essential points of which may be summarised as follows: the rates of remuneration in force on 10 May 1940 were to be increased by 40 per cent. plus 20 per cent. in the case of salaries of not more than 50,000 francs; salaries exceeding 50,000 francs were to be increased by 40 per cent. plus a graded allowance which takes into account the special position of each undertaking; the bonuses for a thirteenth month customarily granted by many employers were to be increased by the same percentages as the regular salaries; minimum salaries were prescribed for large towns. Either party will have the right to apply, at a month's notice, for revision of the minimum rates set. A Legislative Order made similar changes in the salary scales of employees of the State and its administrative offices.

Lastly, it may be mentioned that the Government set new rates for unemployment benefits.

Social Security

In accordance with the decision of the National Labour Conference, the Minister of Labour and Social Welfare introduced new social security legislation by a Legislative Order of 28 December 1944, to come into operation on 1 January 1945.[1] This measure constitutes a bold venture in the social security field and its provisions will immediately affect over 1,200,000 wage earners and salaried employees whose engagements are regulated by contract. Later it will be extended to many other classes of workers, such as agricultural, domestic, and home workers, those engaged in sea fishing and inland navigation, wage earning members of family undertakings, apprentices, etc. Because of the special nature of the contracts of these groups of workers, or the traditions and customs in their occupations, it will be necessary to publish special Orders for each group. Moreover, the Legislative Order does not apply to miners or to seamen, who, for technical reasons, need to be covered by special regulations; similarly, railwaymen are excluded in so far as they have already been granted advantages at least equal to those provided by the Order.

The new provisions are inspired by the Atlantic Charter and aim at releasing working men and women as completely as possible from the fear of want. They widen the application of the social legislation that existed in Belgium before the war, the practical efficacy of which suffered from the fact that some of its provisions were optional in character. In certain fields the new Order supplements existing provisions and in others it introduces innovations, while the task of defining in greater detail the general rules laid down is left to later Orders. In other words, it embodies an immediate acceptance of the principle of social security but leaves the details of its administration to be dealt with in specific regulations. Five main points emerge from the published text:

(1) Although old-age pensions were in force before the war they were inadequate. Under the Order of 28 December they are increased to what is considered a decent minimum level. The normal pension for a married couple, to be paid when the wage earner reaches the age of sixty-five, will amount to 50 per cent. of the normal wage, that is, of the wage currently earned by the majority of workers.

(2) A system of compulsory sickness and invalidity insurance

[1] For a more detailed analysis of this Order, see below, p. 524.

is set up, based on the large national federations of mutual benefit societies and on regional offices administered by joint committees of employers and wage earners. The general administration is entrusted to a National Fund, which is to be an autonomous, public institution. According to the estimates made, the introduction of compulsory insurance should make it possible to grant the following benefits: medical care; in the case of incapacity for work, a benefit equal to 60 per cent. of wages, paid after a waiting period of three days for workers and thirty days for salaried employees, and reduced to 50 per cent. of wages after a year of disability; in the case of childbirth, a benefit equal to 60 per cent. of the wages lost, paid during the six weeks before and six weeks after confinement; in the case of the death of an insured person who has not reached pensionable age, payment of a month's wages or salary to the surviving dependants.

(3) The former National Employment and Unemployment Office will be replaced by a Provisional Fund for the Maintenance of the Unemployed. This Fund itself is of a transitional character and will operate only until a compulsory unemployment insurance scheme is definitively established, and that—it is expected—will be shortly.

(4) The system of family allowances set up in 1930 is improved by raising the rates of allowance and extending it to cover all wage earners.

(5) The new provisions guarantee to the workers a fuller enjoyment of the rights they had previously acquired respecting holidays with pay.

In addition to these five main points, the Legislative Order of 28 December includes provisions designed to simplify to a considerable extent the collection of contributions and the payment of benefits under the insurance schemes. Before the war there was much confusion and disorganisation in this field, but now a single contribution to cover all insurances has been fixed for both workers and employers. The wage earner will pay 8 per cent. of his wages and the salaried employee 8¼ per cent. of his salary (but only up to 3,000 francs a month, any remuneration in excess of this figure being left out of account). The employer will deduct the requisite amount from each pay and, for his part, will add 15½ per cent. of his wage bill and 15¼ per cent. of his salary bill. With the exception of the sum needed to cover the administrative expenses of the scheme, the total contribution, amounting to 23½ per cent. of wages and salaries, is allocated to the several branches of the security scheme as follows:

	Percentage of wages	Percentage of salaries
Old-age pensions	7	10½
Sickness and invalidity insurance	6	5
Unemployment insurance	2	2
Family allowances	6	6
Paid holidays	2½	—
Total	23½	23½

The agency in charge of collecting and distributing the contributions is the National Social Security Office set up under the Ministry of Labour and Social Welfare. It has the status of a public institution guaranteed by the State, and is administered by a managing committee made up of members chosen in equal numbers from among candidates submitted by the most representative employers' and workers' organisations respectively. The chairman must, however, be independent of both groups. The Office is supervised by committees composed on the same pattern and set up for each class of beneficiary. Each committee is in charge of supervising the payment of contributions and the allocation of proceeds in its particular branch. A representative of the Ministry of Labour and Social Welfare is to be an advisory member of the managing committee and of each of the other committees.

Financial and Economic Measures

Obviously it would be useless to increase wage rates and extend social legislation only to let the country fall into inextricable financial difficulties. The long period of enemy occupation left Belgium heavily in debt and with a dangerously inflated currency. The Germans had not only made Belgium pay a very heavy war levy, but they carried away large quantities of Belgian products without paying for them otherwise than by entering them in a "clearing" account in Berlin (the amount credited there to Belgium amounted to 62,500 million francs on 31 August 1944). When the armies of liberation arrived, there were notes to the value of 103,500 million francs in circulation, as compared with 31,500 million francs in May 1940. When bank deposits, savings deposits, and credits in the Postal Cheque Office are added, the quantity of money in circulation amounted to 183,000 million francs, compared with 65,000 million francs before the war. The national debt had also increased from 60,000 million to 156,000 million francs.

At the time that the Government returned to Belgium from London, this mass of paper money was circulating more or less in a void, and francs were standing unused in current accounts, while the quantity of goods for sale had fallen to a very minimum.

The astronomical prices paid for consumers' goods in illegal trade illustrate this clearly. Unless immediate and drastic steps were taken to change this situation, it was realised that it would condemn all the Government's efforts to restore orderly economic and social conditions to utter failure, lead to anarchy in the domain of prices as soon as goods started to enter the country, set the cost of living rising in a mad spiral, and reduce to naught all the measures that had been taken to give wages a real and stable purchasing power. It was to avoid this catastrophe that Mr. Gutt, Minister of Finance, directed all his energies. He had recourse to a veritable surgical operation in the monetary field—an experiment which, up to the present time, is unique in its kind.

Monetary Reform

It has been claimed that the monetary and financial policy at present being enforced in Belgium is a policy of ruthless deflation. Nothing could be further from the truth. It is in fact a complex policy designed to extend over a relatively long period, to cover several phases of development, and to accomplish a number of objectives. Apart from purely monetary considerations, it is expected that it will lay the groundwork on which the Government will be able to undertake, within a relatively short time, a thorough reorganisation of its finances while securing a just and reasonable revenue. Hence the Legislative Orders of 6 October 1944, known as the "Financial Orders", have not only the aim of establishing the necessary monetary equilibrium but also include provisions relating to the undertaking of a property survey, the closing down of the stock exchange, the organisation of exchange control, the collection of taxes on war profits, the lowering of the national debt and the regulation of credit. Since most of these objectives are outside the limited field of the present article, it will be sufficient to point out some features of the Government's monetary policy proper, which, on the basis of present possibilities and future prospects, aimed at stopping the unregulated rise in prices and stabilising the cost of living by degrees.

The method adopted for dealing with the fiduciary circulation and, therefore also, with credit balances, may be described as one of "decreasing contraction", that is to say, of contraction followed by gradual expansion. As was pointed out above, when Belgium was liberated there was a wide disparity between the quantity of money actually or potentially in circulation and the amount of goods for sale; in other words, the volume of means of payment in the hands of the population as a whole was out of all proportion to the total amount of goods available. The situation provided an extreme demonstration of what economists call the "quantity theory of money". The disproportion was partly absolute and partly temporary. It was absolute in as much as the currency in circulation, swollen beyond all measure during the occupation, exceeded what was required for the normal needs of a peace economy. Consequently, it was necessary to eliminate permanently the useless surplus of means of payment. That done, what remained would still be temporarily disproportionate to the actual requirements because, in comparison with normal times, the shortage of goods for sale would still be acute. This temporary surplus had to be neutralised, and provision made for its gradual release as the supply of goods at the disposal of the population increased; that is to say, means of payment should be made available as and when it becomes possible to import the goods needed to build up depleted stocks.

This, at least theoretically, was what had to be done. The first practical step the Government took was to stop realisation of all forms of credit accounts and to oblige the people to declare and deposit all bank notes in their hands. Two exceptions were made to this procedure in order to allow each citizen to keep sufficient money to meet immediate needs. In the first place, each person was allowed to keep an amount on deposit equal to the balance credited to him on 9 May 1940, the eve of invasion; secondly, he was allowed to keep in his possession a sum not to exceed 2,000 francs, provided that he exchanged his notes for notes in the new currency. All the excess (except for paper money of small denominations, which was to remain in circulation) was frozen, but according to varying principles. A first part, 60 per cent. of the whole, was definitively blocked. Its fate will be regulated later by means of a tax on war profits, a forced loan, or other suitable measures. The second part, 40 per cent. of the whole, was made temporarily unavailable. The Minister of Finance will release it gradually as the replenishing of supplies proceeds. This programme had three technical objectives: (1) to reduce the amount of purchasing power in circulation by bringing the volume of means of payment into line with the amount of goods and services immediately available; (2) to locate and identify excess purchasing power; (3) to adapt the money in circulation by degrees to the real needs of the national economy. When the first part of the programme became effective, the money in circulation was reduced from 183,000 million francs to some 70,000 million. Then, by successively unblocking parts of the amounts frozen, the circulation was increased to about 114,000 million francs, the figure reached at the time of writing.

Price Policy

A monetary policy of this kind is evidently useless without parallel action in other fields. It must be accompanied by a price policy which allows for the gradual restoration of the nation's productive activity, and by a large increase in imports of essential industrial raw materials and of the food which the Belgian people need so urgently. Otherwise it operates in the void, leading to economic strangulation instead of expansion, and allowing the black market with all its ramifications to flourish unchecked. The measures adopted by Mr. Gutt to freeze the surplus currency relieved the doubts of the public concerning the stability of the franc. Further assurance was given by the Government's announcement that in virtue of an Anglo-Belgian agreement the exchange rate would in future be 176.625 francs to the pound sterling. By that alignment the general price level was automatically determined at the point considered desirable; that is to say, the relation of Belgian prices to the pre-war level will be governed by the level of British prices. During the occupation some prices had been kept abnormally low while others increased too rapidly. This was the result of the isolation of the country for more than four years and of the system of control set up under pressure of the German administration. Consequently, some prices had to be lowered and others raised. But in order that the real purchasing power of wages should embody the nominal increase approved by the National Labour Conference, it was necessary for the cost of living as a whole to be lowered. The Government accordingly decided to establish maximum prices for particular categories of goods, making a fundamental distinction between those which directly affected the cost of living and those which had only a slight bearing upon it. The rationing of food and ordinary consumers' goods was also to be strictly enforced. Only vegetables and fruits were excepted and left to be sold without restriction.

The Government intended that its action regarding prices should be regulated by production and import possibilities. Consequently its intervention had to be made by successive steps. As the Minister of Economic Affairs stated at a press conference: "We are obliged, as far as prices are concerned, to take provisional measures, to be replaced some day by further provisional measures." The main concern was to lower the prices of prime necessities, by recourse, if necessary, to State subsidies. That is why, for example, the price paid by the consumer for margarine has been brought down to 50 per cent. of what it was before liberation. Committees composed of representatives of producers, distributors, and consumers were set up to facilitate more efficient control. Apart from goods directly affecting the cost of living, only basic raw materials were made subject to price control. The fixing of the wage level by the National Labour Conference has in fact largely determined the principal factor in the costs of industrial production. Here, too, there is a system of regional committees regulating prices, as in the case of current consumption goods. The action of all these committees is co-ordinated by a central committee.

The Government's price policy, reduced to its essentials, is to fix prices at an index of 165 per cent. of their average level during the first half of 1939. This period was chosen as the base period because it was the last before the war which could be considered relatively normal; by May 1940 prices had already been too much influenced by the events of that year. But since wages have been increased by 60 per cent. over the rates in force on 9 May 1940, the aggregate rise in prices is in fact slightly smaller than the increase in wages, which, in comparison with the rates of the first half of 1939, amounts to about 70 per cent. The 65 per cent. increase in prices which has been fixed or accepted by the Government corresponds to the devaluation of the Belgian currency in terms of the British, increased by the ratio of the British price increases. It is the inevitable result of the policy adopted at the time the fixed rate of exchange for the Belgian franc and the pound sterling was adopted.

Other Measures

With a view to increasing imports and preventing an excessive increase in the cost of goods bought abroad, the Government abolished or suspended a large number of customs duties. On the general question of the restoration of the national economy as a whole, it issued a Legislative Order on 16 November with the object of ensuring the necessary co-operation between the State and private undertakings in this matter. This Order replaces the system of organisation set up during the enemy occupation by organisations which are based on occupational and inter-occupational councils. The "leadership principle" which characterised the former system was discarded and the new system sets no restriction on freedom of association as guaranteed by the Belgian Constitution. But through the medium of these councils, the State nevertheless hopes to receive powerful assistance from private industry in applying its new economic policies. The report to the Regent forming a preamble to the Order expressly declares that the proposed measure is transitional and that State intervention will be strictly limited to meeting the exigencies of the moment. But it adds—and this is worthy of note—that the Government "hopes that a solution to the whole problem of a definitive organisation of occupations, including workers' representation, may be worked out by the legislative authorities".

This summary of Government measures may be closed by mentioning the setting up of a Repatriation Commission to prepare for the return of thousands of Belgians to their own country, most of whom are at present in Germany as political or military prisoners, and especially as deported or volunteer workers. Mr. Paul van Zeeland, former Prime Minister, has been put in charge of this new organisation.

Conclusion

The preceding outline describes the main aspects of Government action in Belgium in the course of the last four months of 1944. The measures introduced were designed to assist citizens who have to live on their wages or salaries and have no other source of income. As we have seen, they were taken under extremely difficult conditions, caused by the continuation of the war, by a second invasion of part of the national territory, and by the fact that military demands had absolute priority and reduced the national economy to even greater poverty and paralysis. In spite of these obstacles, the two Belgian Governments have not only improvised measures to meet the pressing difficulties of the moment, but have also staked out the path by which it is hoped that Belgium will achieve social progress in a new and better world.

Does this mean that all the phases of the Government's activities have met with the success that was expected in official circles and with the unanimous approval of the population? We are only at the threshold of 1945 and it is still far too soon to judge. It would be better, therefore, to limit criticism for the time being to a study of how public opinion has received the measures taken by the two Governments which have held power since September, what the people think, and what they are hoping for.

Judging from the opinions which have been expressed so far, the new workers' social security legislation has met with almost complete approval. Mr. van Acker's reforms are seen as the dawn ushering in a new era, when wage earners and salaried employees alike will at last be given reasonable protection against a number of life's hazards for which, up till now, they could not afford to make adequate provision. It is also felt that these measures will make it possible to ensure a decent old age for all workers—a form of security to which they have an undisputed right. No one challenges now the principles of social security, and any reservations that may be made here and there are directed not against the substance of the reforms but rather against the effects which they may be expected to have on Belgian wages and, thereby, on the cost of production. The Minister of Labour and Social Welfare had foreseen this objection and had stated, even before the plans were adopted, that the cost would not be unreasonable when the objectives were considered; that much expense and difficulty would be avoided through greatly simplified methods of administration; and that the increase in labour output due to modern technique had to be taken into account. He also claimed that the reforms should be introduced before the country's return to normal economic activity, and not after. In this way everybody would take them into account from the outset, instead of being obliged to adapt themselves as best they could to a series of changes.

As far as the 60 per cent. wage increase unanimously approved by the National Labour Conference is concerned, it has already been pointed out that it was essentially a provisional measure, at first enforced for only a month but prolonged since, because of circumstances. In practice, virtually all wage earners have benefited. Salaried employees, on the contrary, have not been covered to the same extent. In addition to the distinction made between salaries over and under 50,000 francs a year, it must not be forgotten that in this case the action taken consisted in "recommendations" addressed to employers by a semi-official joint committee and not in the binding decisions of an authority. The result has been some irresolution in application. These observations, however, do not exhaust the question of wages. Independently of their nominal rise, there still remains the very difficult problem of their purchasing power, and here, it must be confessed, practically no headway has been made. It is true that the monetary plan imposed bold and energetic measures for restoring the value of the franc, and that the Government enforced them courageously and successfully, regardless of the risk of unpopularity involved. The Belgian people from the beginning understood the dangers inherent in tremendous currency inflation—since they retained lively memories of the crisis following the war of 1914-1918—and co-operated with the Government, in spite of the difficulties entailed for them, if not cheerfully, at least with resignation. At first they had strong hopes that a rapid drop in the cost of living would follow. Unfortunately, although from the point of view of monetary technique the measures were successful, the same cannot be said for their economic and social consequences. The revaluation of the currency should have coincided with the import of large quantities of merchandise, particularly of foodstuffs, goods in common use, and essential raw materials. This did not take place and has still not begun. The few thousand tons of goods destined for civil consumption which have so far reached Antwerp are only a drop in the ocean of Belgium's needs. Hence the shortages persist; the black market still flourishes; and the true cost of living remains far above the index reached by wages after their 60 per cent. increase. An early fall of prices cannot even be discerned as yet, since, to meet the unexpected German offensive, military operations are monopolising more than ever before all available means of transport, internal as well as external, and the development of these operations is seen to be slower than could have been imagined four months ago.

The conclusion is more or less disappointing. Until now currency rehabilitation has been the only reform actually carried out, while the social security legislation is still an isolated landmark along the way Belgium hopes to travel. Since the provisioning of the country is deadlocked, price policy is futile. Life is at a standstill in an economy where nothing has been settled and every problem is awaiting its solution. Belgium is passing through one of the most difficult periods in its history. After fifty-two months of enemy occupation and four months of liberation it is still not possible to say even that the first stage of economic and social reconstruction has been reached. That will happen only when it becomes possible to ensure a better supply of consumption goods in the first place and production goods in the second. The war alone is responsible for this failure. Except in the case of a few details which are lost in a multitude of major obstacles, it is not possible to accuse the Government of inertia. It is doing what it can. Perhaps it would be useful here to stress again the fact that, in spite of the difficulties abundantly strewn in its path, the Government has not hesitated to lay the foundations for wide and comprehensive social reconstruction. But until it becomes possible to build on these foundations, it would seem that Belgium must, willy-nilly, be content to live from hand to mouth.