

REPORTS AND ENQUIRIES

Economic Survey of the United Kingdom for 1947

On 21 February 1947 the British Government presented to Parliament in a White Paper, Economic Survey for 1947¹, an economic budget designed to balance the actual resources available in 1947 against both long-term and short-term needs. This Survey, summarised below, provides an interesting example of the planning of national resources to which countries faced with post-war reconstruction have had to resort, and to which reference is made on another page of this issue of the Review.²

A summary of the comments made by the Federation of British Industries, the Association of British Chambers of Commerce, and the Trades Union Congress is also given. The Government has emphasised that the voluntary co-operation of all members of the community is necessary to attain the objectives set for 1947 in the White Paper, and the attitude of these organisations towards the proposals is therefore of considerable importance.

In a foreword to the Survey, the Prime Minister refers to the effect of the war on industry, the progress of post-war reconstruction, and the tasks which lie before the country in 1947. "The Government alone," he observes, "cannot achieve success. Everything will depend upon the willing co-operation and determined efforts of all sections of the population. It is essential that all should understand that the maintenance and raising of the standard of life of the people depends upon the extent to which every individual plays his or her part in contributing to the sum of goods and services available to the nation."

The Survey is divided into four sections dealing with economic planning, a review of the period July 1945-December 1946, the situation in 1947, and a statement of conclusions.

ECONOMIC PLANNING

The object of economic planning, the Survey points out, is to use the national resources in the best interests of the nation as a whole. The 20 million workers in the United Kingdom, using the

country's capital equipment and available raw materials, must satisfy five main national needs: defence, payment for imports, capital equipment and maintenance, personal consumption, and public services.

Having regard to the fact that in a democratic country the maximum possible freedom of choice must be preserved for the individual, and that the United Kingdom's economy is complex and diversified and depends upon imports for its continued existence, it is clear that economic planning in the United Kingdom should be as flexible as possible. Further, the effects of the war are such that planning can be on a short-term basis only for the present. Accordingly, the Government is seeking to develop a system of economic planning having the following main elements:

(1) An organisation with enough knowledge and reliable information to assess the national resources and to formulate the national needs.

(2) A set of economic budgets which relate these needs to the resources, and which enable the Government to say what is the best use for the resources in the national interest.

(3) A number of methods, the combined effect of which will enable the Government to influence the use of resources in the desired direction, without interfering with democratic freedoms.

Economic budgets¹ have been prepared for 1947 setting out resources and needs in terms of (i) manpower, and (ii) national income and expenditure. These statements are supplemented by analyses of the following particular problems:

- (1) foreign exchange,
- (2) investment (i.e., capital equipment and maintenance);
- (3) fuel and power, steel, timber and other scarce materials.

Since the needs exceed the resources, a balance must be struck by planning between conflicting needs, and in the allocation of resources necessary to meet these needs. The apparatus of Government control, direct or indirect, is used to guide the economy in the direction indicated by the plan, which, however, can be successful only if management and labour and the community generally accept its objectives and work together to achieve the desired ends. Equally important is the need for stable, or, if possible, lower costs and prices. The Survey points out, therefore, that while the Govern-

¹ "These economic 'budgets'", the Survey points out, "are entirely different in character from the Chancellor of the Exchequer's yearly Budget. They deal with man-years of work and quantities of goods; these may be totalled in terms of money, for that is the only way to add up the host of things which constitute the national production and consumption, but the money figures are really a shorthand for expressing production. The economic budgets must balance themselves ultimately, for it is impossible to consume more than is produced; the real question is how the balance is brought about. The Chancellor's Budget, on the other hand, deals solely with money; it is his estimate of the Government revenue and expenditure, and forecasts a net surplus or deficit on the transactions of the central Government. The economic 'budgets' have a considerable bearing upon the Chancellor's Budget, but the two forms of national account are entirely different and should not be confused."

¹ Cmd. 7046 (London, H.M. Stationery Office, Feb. 1947).

² See above, "Post-War Manpower Problems in Europe", p. 485.

ment adheres to its long-term objective of raising the standard of living of the people, any further general increases in wages and profits must be accompanied by a corresponding increase in production.

REVIEW OF THE PERIOD JULY 1945 TO DECEMBER 1946

At the end of the war, 42 per cent. of the nation's manpower were in the Armed Forces or were directly engaged in supplying them. Only 2 per cent. were producing exports and less than 8 per cent. were providing and maintaining the nation's capital equipment. The main task during this period was to demobilise the war structure and to set the civilian economy moving. This was done with very little dislocation, so that although the total employed population at the end of 1946 was 2 million less than in June 1945, because many women had left industry, and because many men and women were still on release leave and there were more unemployed, the total was still over one million greater than in June 1939, mainly because of the big fall in unemployment. The distribution of the available manpower for selected months is set out in the table below:

DISTRIBUTION OF TOTAL MANPOWER IN GREAT BRITAIN

	June 1939	June 1945	June 1946	Dec. 1946
	Thousands			
Coal industry	773	738	736	730
Public utilities	242	196	240	258
Transport	1,233	1,252	1,368	1,373
Agriculture and fishing	950	1,041	1,078	1,081
Building and civil engineering	1,310	722	1,184	1,250
Building materials and equipment	645	446	575	628
Metals and engineering	2,278	3,345	2,715	2,811
Textiles and clothing	1,803	1,150	1,380	1,405
Food, drink and tobacco	654	518	566	597
Chemicals	266	423	315	324
Other manufacturing industries	1,269	999	1,155	1,265
Distribution	2,887	1,958	2,170	2,304
Other consumers' services	2,225	1,598	1,884	1,966
Public service	1,465	2,030	2,099	2,130
Total in civil employment	18,000	16,416	17,415	18,122
Armed forces and auxiliary services	480	5,090	2,032	1,427
Total in employment	18,480	21,506	19,447	19,549
Demobilised men and women not yet in employment	—	40	700	300
Insured unemployed	1,270	103	376	398
Total working population	19,750	21,649	20,523	20,247

The changes in the distribution of manpower resulted in a substantial expansion of national production in 1946, but the greatly increased need for exports consequent upon the loss of gold and foreign investments, and the incurring of war debts, caused a worsening of the country's capital position in relation to the rest of the world by nearly £6,000 millions. This resulted in local consumption being considerably lower than it otherwise would have been. Further, world shortages of food and raw materials restricted imports. There was a deficit of £450 millions in the balance of payments.

Equally important with the need for increased exports, was the restoration and extension of the nation's capital equipment which had worked at great pressure throughout the war, with very little maintenance. An increase in the labour available for this purpose enabled the construction of new housing and industrial plant and buildings but was not sufficient to make up arrears from six years' deferred maintenance.

The main results achieved during the period are as follows:

- (1) The defence sector (armed forces and munitions) has been cut to a little over one-fifth of its size at the end of the war.
- (2) Exports have expanded to 110-115 per cent. of the 1938 volume, an amount still insufficient to pay for imports at 70-75 per cent. of 1938 volume.
- (3) A normal pre-war year's work of output of industrial equipment and maintenance has been done in 1946.
- (4) Homes have been provided, by new building and repair, for nearly 300,000 families, and the way has been cleared for as fast an expansion in house-building as the material supplies will permit.
- (5) There has been little change, on balance, in food consumption, but there was a considerable expansion in supplies of manufactured goods to the home civilian market, to levels ranging from two-thirds to over 100 per cent. of pre-war.

In addition, war savings, full employment, the introduction of minimum standards of living supported by subsidies, higher rates of national insurance benefits and old-age pensions, family allowances, and redistribution of income through taxation have all contributed to a substantial increase in effective purchasing power which has resulted in the available supplies being unable to meet the demand. It is emphasised, however, that for a large section of the people, the present food and clothing rations are more than they could normally afford even in good pre-war years, and are much more than they could afford in years of depression.

THE SITUATION IN 1947

The central fact of 1947 is that there are not enough resources to do all that needs to be done. There is barely enough to do all that must be done. To meet all needs production would have to be increased by at least 25 per cent. This is clearly impossible in 1947 because means must be found to pay for imports formerly obtained out of returns on foreign investments. Further, six years' arrears of industrial equipment must be made up. As a result the Govern-

ment has decided that first importance must be attached to payment for imports, and to basic industries, particularly coal and power.

The 1947 import programme provides for an expansion to 80-85 per cent. of the 1938 volume. Much more than that would be needed to increase rations considerably, but imports are limited by world shortages of food and raw materials, and by foreign exchange. The import programme set out below is not immutable but is continually changing with supply conditions and prices. The substantial increase over 1946, however, reflects both increased quantities and increased prices.

The 1947 import programme is as follows:

	£ millions (f.o.b.)
Food and supplies for agriculture	725
Raw materials and supplies for industry	525
Machinery and equipment (including ships)	60
Petroleum products	55
Tobacco	50
Consumer goods	35
Total	1,450

In addition to the foregoing expenditure on imports, it is estimated that net overseas Government expenditure will amount to £175 millions. Thus, a total of £1,625 millions of foreign exchange will be required in 1947. To meet this, £350 millions of the United States and Canadian credits are to be used and £75 millions, it is anticipated, will be obtained from invisible income. Since the Government has to conserve its dollar reserves to be able to meet, from July of this year, the convertibility obligations under the Anglo-American Financial Agreement, the remaining £1,200 millions will have to be provided from exports and re-exports.

Four conclusions follow for 1947:

(i) the export target of 140 per cent. of 1938 volume by the end of the year as against the 1946 level of 110-115 per cent. of 1938 volume, is of prime importance;

(ii) exports to the Western Hemisphere (and to some European countries with which there are deficits, *e.g.* Sweden, Switzerland and Portugal) are of particular importance;

(iii) close import control must be maintained, particularly of products which come predominantly from the Western Hemisphere;

(iv) home production must be increased along lines which contribute to these policies.

As it is clear that a further expansion both of imports and exports will be needed, the long-term target for exports still stands at 175 per cent. of 1938 volume.

The second vital need is the necessity to restore the full efficiency and productive power of the basic industries and services. In order to do this at present output per man-year, a larger labour force

is necessary. Moreover its present distribution, by industries and by place, is not satisfactory. The cost to the nation in 1947 of this unbalanced distribution is equivalent to the loss of the labour of 120,000 men throughout the year.

The labour force in civil employment at the end of 1946 was 18,122,000. By a reduction in unemployment to 2½ per cent. of the insured population, it is hoped to increase this to 18,300,000 men and women by December 1947. But this prospective force falls substantially short of what is needed to reach the national objectives. Accordingly the Government plans to recruit at least an additional 100,000 workers by encouraging women to return to industry and elderly people to postpone their retirement, and from foreign countries. The Government also seeks to increase the effectiveness of the labour force by encouraging increased output per man-year, and by influencing its distribution by all methods short of Government direction. The probable size and distribution of the labour force are set out in a table above.¹

The main considerations underlying this distribution are:

(i) Special importance and difficulty attach to coal mining, agriculture, public utilities; the high rate of loss of men from the mines makes even a small increase of the existing manpower an extremely difficult target.

(ii) It is desirable that further immediate expansion of the building labour force should be limited because of shortage of timber and other materials; special efforts will be needed to meet the target for building materials.

(iii) It is desirable that further expansion of the engineering and other metal-using industries should be limited, not only because the workers are needed elsewhere, but also because shortage of steel and certain non-ferrous metals will in any case limit additional useful employment in these industries.

(iv) Employment in textiles and clothing is still 400,000 below pre-war. The proposed increase is as much as can be expected in one year.

(v) It is desirable that the expansion of the labour force engaged in transport, distribution and consumers' services should as far as possible be limited.

(vi) A reduction is assumed in the numbers employed in national and local government; a thorough review is now taking place.

With this distribution of manpower, and taking into account the probable availability of resources, the Government has sought to frame a balanced series of objectives for 1947 as follows:

Defence.

The Armed Forces are to be reduced from the December 1946 level of 1,427,000 to 1,087,000 by March 1948. This will also result in a fall in the number of workers supplying them.

Payments for Imports.

Exports must be raised to 140 per cent. of 1938 volume by the end of 1947.

¹ P. 489, in the article "Post-War Manpower Problems in Europe".

Capital Equipment and Maintenance.

A housing programme of 240,000 new permanent houses and 60,000 temporary houses is contemplated. The amount of capital equipment and maintenance work (other than work on houses) is to exceed that of a normal pre-war year by at least 15 per cent.¹

Consumption.

Food supplies will not increase much in 1947 because of world shortages. A steady effort is to be made to increase supplies of the most important manufactured consumer goods such as clothing and household textiles, pottery and furniture which, however, are likely to continue to be in short supply.

Public Services.

Programmes for education, public health and national insurance are to go forward, and a proper degree of efficiency of the public services is to be maintained, with special attention to economy in manpower.

CONCLUSION

The achievement of all these objectives depends upon the basic industries and services, and, in particular, coal, power, steel and transport. The central problem is coal and power, especially the attainment of a production of 200 million tons of coal, which is an indispensable minimum.

The second problem is to expand the nation's labour force, to increase its output per man-year and, above all, to effect its best distribution.

The third problem is the payment of imports required, a necessary condition for which is the expansion of the volume of exports to 140 per cent. of 1938 volume by the end of the year.

The Government, the Survey concludes, can set the tasks, but in the final analysis it is upon the voluntary efforts of all members of the community that success depends in a democratic country.

COMMENTS BY INDUSTRIAL ORGANISATIONS

Federation of British Industries

The views of the Federation of British Industries on the White Paper are contained in its recent publication *Interim Statement on the Economic Outlook*² which states that the *Economic Survey for 1947* is helpful in so far as it discloses the facts, but that it has failed to produce in the country a sense of urgency. First things are placed first only when they are politically acceptable. As a result, the proposals do not go far enough to restore a state of balance between resources and economic objectives.

¹ The subject of capital formation is further discussed in the White Paper on the *National Income and Expenditure of the United Kingdom 1938 to 1946* (Cmd. 7099) published in April 1947.

² London, Federation of British Industries, 1947.

Further, it is stated that the collective performance of all branches of industry depends upon the outlook, judgment, resources and resourcefulness of countless individual directors and managers, as well as upon the response of the staffs and workpeople. The national plan must, therefore, carry the confidence of all concerned, for in spite of controls that limit their freedom, the actual course they will pursue depends upon their individual confidence, judgment and initiative.

Part of the United Kingdom's difficulties, the Federation considers, arises from the undertaking by the Government of financial commitments far in excess of the physical resources available to meet them. As a result, it has been necessary to institute a complex system of controls, including rationing, utility production, price control, cost-of-living subsidies and foreign exchange control. Since it is impossible to ration and control everything, steadily mounting inflationary pressure made itself felt in the electric supply industry, and in the progressively increasing demands for the services of the gambling industries, and for railway travel and entertainment. Inflation affected production, as well, so that at the end of eighteen months of reconversion, British industry has reached a point at which it must either reorganise or come to a standstill.

Besides the general criticism outlined above, the Federation of British Industries has made several detailed proposals, the main points of which are summarised below.

Bridging the Gap between Economic Objectives and Resources.

The Government should ensure that activities which are adjudged essential as short-term objectives shall be fully—and continuously—supplied with their needs in fuel and materials, while other activities or projects, whether productive or non-productive, are cut back.

Coal.

The target for coal should be increased to 220 million tons. The National Coal Board should be urged immediately to take all possible steps to improve coal-washing facilities, and otherwise to improve the quality of coal delivered.

Efforts should be made to import 10 million tons of coal, without reducing the quantities being shipped for the relief of Europe.

The export of coal-cutting and other mining machinery needed for home use should be critically re-examined.

The coal distribution plan already announced should be so operated that the extra amounts to be allocated, whether handled regionally or otherwise, are guaranteed amounts, and that the principle is observed that production considered to be most vital shall receive 100 per cent. of its needs.

Power Supply.

Resources for building power stations and manufacturing their equipment should be mobilised, their necessary supplies guaranteed, and a programme set up based upon a two-year construction interval.

To meet the emergency, new designs for power station equipment should be deferred, and replicas of existing stations reproduced to save time.

The export of power station equipment needed for home use should be critically re-examined.

The importation of power station equipment from Germany should be examined. This form of emergency assistance should not be rejected merely because special power stations may be needed to accommodate the equipment: they should be constructed, and, if necessary, German specialist labour brought over to erect the plant. All other possibilities of importation should be exhaustively surveyed.

The arrangements for any necessary load shedding should be organised so that industrial undertakings may know the particular days on which their own turn for shedding may come.

Materials.

A balance must be struck between supply and demand for steel: after increasing supply to the maximum possible, the method of securing this balance should be by reducing the amounts allocated to less essential parts of the programme. If the export and capital equipment targets cannot be reached in any other way, it may even be necessary to reduce the housing programme still further than is suggested in the White Paper.

Unremitting efforts should be made to increase the supply of critical materials. There is grave risk of expansion of supply taking second place to the solving of distribution problems.

Inland Transport.

The building and repair of locomotives and wagons for the home railways and the renovation of the permanent way should be among the objectives to be maintained at maximum activity. Plans should be prepared and carried out for the relief of these and any other main bottlenecks in the railway system, which are repeatedly the cause of embargoes and delays.

Increase of Productivity.

Incentive should be increased to all grades by a reduction in direct taxation.

Consultation with industry should be maintained to keep a constant watch upon the export of capital plant. The conflict between the capital equipment and export targets should be resolved. In certain cases, notably rail transport, re-equipment at home should be given priority over export.

The Government should collaborate with industry to ensure that the production of capital plant for the industries adjudged to be of greatest importance should take precedence over that for other industries, which may in any case not be able to operate at full activity.

Export.

There should be regular and continuing consultation with different industries in order to maintain a constant watch on their ability to continue selling fully manufactured goods, with an adjustment of policy when this may be found necessary.

Taxation and Monetary Policy.

A discriminating use should be made of indirect taxation to counterbalance the inflationary effects of reducing direct taxation.

The present policy of progressively reducing the rate of interest paid by the Government on savings should be brought to an end. In the case of small savings it should be reversed to encourage a greater willingness to save and so accelerate the absorption of surplus purchasing power.

Controls.

No opportunity should be lost of getting rid of any one of the controls; the price mechanism which is the alternative should be allowed to act at the first possible moment.

Government Administration.

The Government is urged to allow senior civil servants to concentrate on their immediate task of administration and not to add to their cares the exacting work of preparing intricate schemes of controversial legislation, for the country could survive a failure to introduce new legislation but could not survive a break-down of the administrative machine.

Finally, the statement adds that the Federation accepts the necessity for the national economy to conform to an over-all plan and has indeed suggested additional planning to meet the emergency, but emphasises that the idea that a central plan can be enforced by a host of detailed controls must be replaced by a technique which diffuses throughout industry the responsibility for carrying out the plan.

Association of British Chambers of Commerce

The views of the Association of British Chambers of Commerce are set out in a memorandum of 14 April 1947 prepared for submission to Cabinet Ministers and for general publication.

The Association believes that the present serious position can only be rectified provided that certain basic conditions are given the fundamental position they demand. It is firstly of the utmost importance that the nation should not be asked to do more than is within its capacity. In the second place, it would seem essential that steps be taken to avoid further deterioration of the country's economic position caused by the inflationary pressure which is a result of the present national policy. Thirdly, it is pointed out that the success of planning depends upon the wholehearted co-operation of employers, managers and workers alike.

The Association states that it is most anxious to be of assistance to the Government. Its views as to what should be the two years' emergency policy of the Government are set out below.

(1) The consideration of nationalisation schemes not yet enacted should be deferred until more normal times are regained.

(2) Immediate steps should be taken to assist in increasing coal and steel production, electric power station capacity, railway engines and wagons (and transport facilities generally) and farming equipment. The whole question of the export of capital goods should be re-examined in the light of the requirements of the home market.

(3) Where the immediate needs of production can thereby be more efficiently met, encouragement should be given to an expanded importation of machine tool equipment, so long as this is unobtainable from home sources.

(4) The coal target should be raised to at least 220,000,000 tons and endeavours made to purchase 10 to 15 million tons of coal from overseas for delivery over the next six months.

(5) Unremitting attention should be given to obtaining the maximum home food production and in providing assistance to the farming industry in such urgent matters as labour, machinery, and rural housing. Young agricultural workers should be exempted from National Service for the next two years at least.

(6) Immediate attention should be given to abolishing controls and licences no longer essential, and to reducing the swollen staffs of certain Government Departments. As soon as possible some Ministries should be abolished and others combined. The Ministries that might be closed down as soon as is practicable are the Ministry of Supply and, later, the Ministry of Food. Further economies could be effected by combining the Ministry of National Insurance with Pensions, and the Ministry of Health with Town and Country Planning.

(7) The output from industries working a five-day week, and production costs, should be carefully watched. Diminished output and higher costs cannot be afforded.

(8) The policy governing wage rates should be reviewed by trade unions and employers under the over-all guidance of the Government with a view to assuring a basic wage but leaving ample rewards for increased output on the one hand and sanctions for bad work and idleness on the other.

(9) Non-essential imports should be restricted or eliminated.

(10) The policy of bulk buying should be re-examined forthwith and wherever possible terminated, leaving purchasing to expert organisations and individuals with years of practical experience in world commodity markets. This would materially assist the re-establishment of the entrepôt trade.

(11) Taxation should be drastically revised. Direct taxation should be lowered and indirect increased. Overtime earnings of workers should attract reduced rates of taxation.

(12) Small savings should be stimulated by some increase of tax-free interest receivable.

(13) A commencement should be made in reducing the alarmingly high and increasing cost of food subsidies.

(14) Finally, the Government should indicate broadly but definitely the direction industry should take in meeting both home demands and overseas needs and the priority countries to which exports should be expanded, regard being had to currency needs. Industry should then be left responsible for producing the goods, and be given Government priority assistance in obtaining materials in short supply.

Trades Union Congress

The views of the Trades Union Congress are given in a statement by its General Council issued on 27 March 1947. In view of the Government's intention to arrange discussions with both sides of industry on the questions dealt with in the White Paper the statement discusses the White Paper in general terms only.

The statement points out that the present position arises from deficiencies in the economic and productive system which are, in large measure, due to the war. Modernisation and the normal maintenance of industry were deferred. Moreover, the balance between the different industries was disturbed by the sweeping industrial readjustment and the changes in the foreign trade position resulting from the effects of the war on the economy.

The White Paper targets for 1947, it is stated, appear low if considered only from the point of view of the obvious need of the country, but it was necessary to frame targets which could be achieved during the period. The great need is to re-establish a stable balance between all the essential industries so as to avoid any further disruption. Emergency measures should be initiated to effect an increase in the capacity of certain basic industries, particularly coal, electric power and rail transport. Thus the General Council considers that the target for the coal industry should be increased to 220 million tons in 1947. At the same time the engineering industry should be mobilised to allow the extension of the industrial capacity of the steel industry, and thus the railway and electrical supply industries, since an increased output of coal would be useless unless it could be transported and converted to power.

The General Council notes the continual emphasis throughout the White Paper on increasing output per man-year and states that it welcomes the intention of the Government to invite representative organisations of industries to co-operate with it in an attempt to establish the facts about output and productivity. It is critical however of the principle laid down in the White Paper that the nation cannot afford shorter hours of work unless these can be shown to increase output per man-year. The General Council maintains that not only does this statement set an impossible standard by which claims for a shorter week can be judged but that it would be unfair to expect those working in industries having a 48-hour week to abandon their claim to an improvement which is already well advanced.

In conclusion, the General Council states that it is ready to consult with the Government on the economic problems facing the country, and appeals to all sections of the community to contribute their full part to the solution of the present economic difficulties.

Employment of Women in France

In the vigorous campaign of reconstruction now going on in France, official statements and the reports of technical committees indicate that an important part in production is to be played by women workers. The following article reviews the present distribution and volume of female labour in employment in France, the position regarding women's wages, and official proposals to encourage recruitment among women.

VOLUME AND DISTRIBUTION OF FEMALE LABOUR

According to information obtained in an enquiry on economic activity made by the Central Statistical Service of the Ministry of

Labour, the distribution of female labour between the main occupational groups was estimated as follows on 1 July 1946¹:

TABLE I: WOMEN WORKERS BY GROUPS OF OCCUPATIONS, 1 JULY 1946

	Employers, managerial and salaried staff	Manual workers	Women working alone	Total
	Thousands			
Agriculture, forests, fishing . . .	2,150	400	250	2,800
Mines, quarries	1	8	—	9
Manufacturing industry	375	928	367	1,670
Transport and related processes . .	64	11	45	120
Commerce, banking	720	88	329	1,137
Professional workers	170	160	55	385
Personal services	25	15	4	44
Domestic workers	—	640	—	640
Public admin. services	570	30	—	600
Public industrial services	5	20	—	25
Total	4,080	2,300	1,050	7,430

The manufacturing industries employing the largest numbers of women are indicated below.²

TABLE II: WOMEN WORKERS IN CERTAIN MANUFACTURING INDUSTRIES, 1 JULY 1946

Industry	Employers, managerial and salaried staff	Manual workers	Women working alone	Total
	Thousands			
Clothing	110	184	340	634
Textiles	30	247	18	295
Non-precious metals	55	165	—	220
Food	80	85	—	165
Hides and leather	12	50	7	69
Chemical industries	20	45	—	65
Wood industries	20	45	—	65

The figures published by the Central Statistical Service make possible also comparison between the volume of male and female

¹ *Revue française du Travail*, Nov. 1946, p. 711.

² *Ibid.*

labour. Table III below gives figures for the principal occupational groups, and the total numbers of male and female workers respectively occupied in each of these groups in March 1936.¹

TABLE III: MALE AND FEMALE WORKERS BY GROUPS OF OCCUPATIONS, 1 JULY 1946 AND 1 MARCH 1936

Industry	1 July 1946						1 March 1936			
	Employers, managerial and salaried staff		Manual workers		Persons working alone		Total		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
	Thousands									
Agriculture, forests, fishing .	2,170	2,150	1,000	400	430	250	3,600	2,800	4,283	2,921
Mines, quarries .	29	1	230	8	2	—	261	9	334	6
Manufacturing industry . . .	870	375	2,392	928	508	367	3,770	1,670	4,139	1,781
Transport and re- lated processes.	406	64	364	11	110	45	880	120	904	132
Commerce, banking . . .	975	720	264	88	404	329	1,643	1,137	1,559	1,142
Professional workers. . . .	135	170	130	160	100	55	365	385	362	369
Personal services.	40	25	50	15	26	4	116	44	83	49
Domestic workers	—	—	70	640	30	—	100	640	96	663
Army	550	—	—	—	—	—	550	—	508	—
Public admin. services. . . .	600	570	280	30	—	—	880	600	572	238
Public industrial services. . . .	15	5	90	20	—	—	105	25	98	17
Total . . .	5,790	4,080	4,870	2,300	1,610	1,050	12,270	7,430	12,938	7,318

A comparison of the figures for March 1936² and July 1946 shows that as regards distribution, volume and relative importance of female labour, the situation was on the whole similar in July 1946

¹ Only the totals columns are comparable as between the two dates.

² *Revue française du Travail*, loc. cit.

to that of March 1936. This is not true, however, of employment in public administrative services, where the number of women workers increased from 238,000 in March 1936 to 600,000 on 1 July 1946. In the processing industries, the volume of both male and female labour was smaller on 1 July 1946 than in March 1936, the number of women having fallen from 1,781,000 to 1,670,000, and the number of men from 4,139,000 to 3,770,000. As regards the non-precious metals industry, however, the level of employment in July 1946 was already higher for both men and women than in March 1936. This industry employed 132,000 women and 1,120,000 men (1,252,000 persons in all) in March 1936, as against 220,000 women and 1,255,000 men (1,475,000 persons in all) on 1 July 1946.

The enquiry conducted in July 1946 also gives information concerning the number of female workers under 18 years of age. Girl wage-earners under 18 made up 3.5 per cent. of all labour occupied in manufacturing industry as a whole, while girl apprentices in the same age group accounted for 0.7 per cent. As regards male workers under 18, the corresponding proportions were 4 per cent. for wage-earners and 1.3 per cent. for apprentices.

The number of girls employed in all gainful activity was thus slightly inferior to that of boys (144,900 as against 186,800). More girls than boys were employed in some occupations—industries involving simple operations which require a large volume of unskilled labour (such as paper, cardboard and food) and occupations in which mainly salaried personnel are employed (such as commerce and banking). In the industries in which the largest number of girls are employed (textile, clothing and related industries, and precious metals), the proportion of girl wage-earners to total personnel was also greater than that of boys.

Apprentices represented between 19 and 20 per cent. of girl workers, whereas the corresponding proportion in respect of boys was between 31 and 32 per cent. The largest numbers of girl apprentices were in the clothing, textile and wood industries and in sundry commercial occupations.

WAGES

Equal Pay for Equal Work.

Considerable progress has been made in France since the liberation towards abolishing the idea of special wage rates for women, and in the realisation of the principle of equal pay for equal work.

Before 1939, only some of the collective agreements which had been made compulsory under the legislation of 1936 contained provisions to this effect. During the German occupation the progress achieved was to a large extent wiped out by the influence of German legislation, in which women's wages were theoretically fixed at 75 per cent. of men's wages for similar work; this rule was applied in the industries controlled by the Germans, and the Vichy Government introduced similar provisions into the French legislation applying in the unoccupied zone.

Immediately after the liberation the provisional Government, in its measures regarding the provisional raising of the wage level, laid down the general principle that when working conditions and output were equal, the minimum wage rates for women workers

should be equal to those applying to men. Where such equality did not exist, a downward differential might be applied to women's wages but could not exceed 10 per cent.¹

A further step towards the establishment of wage equality was taken in July 1946. A ministerial Order issued on 30 July, in conformity with the opinion of the National Commission on Wages, provided that those parts of the wage reorganisation Orders concerning authorised downward differentials for women's wages were rescinded as from 1 July. This Order was liable to involve reconsideration of the classifications established by the previous wage orders; it therefore laid down that the mixed committees, acting by industry or occupation, might submit to the Minister of Labour and Social Security, within two months of the publication of the order, proposals for modifying the decisions regarding job classification issued in application of the wage reorganisation Orders, if such decisions had set up classifications based on the existence of female labour.² A communiqué issued by the Minister shortly afterwards³ stated that the abolition of the 10 per cent. differential was to apply immediately, with effect from 1 July 1946, in cases where the work was done by men or women without distinction, under the same conditions in respect of output and quality. Two other types of work remained to be considered: (a) work specially suited to women; and (b) work coming under neither of the above headings. As regards (a), the differentials previously in force were permitted to continue; as regards (b), the communiqué stated that no decision would be taken until the National Mixed Committees had met to examine the job classifications; these committees were to meet in September 1946.

In view of the conclusions of the mixed committees, the Minister of Labour decided in October 1946⁴ that the abolition of differentials for women's wages should apply without revision of the job classifications resulting from decisions in force, save in the case of agreements reached in application of the Order of 30 July 1946 and duly approved.

Comparison of Men's and Women's Wages in 1946.

Thus, in the wage schemes issued since the liberation, an attempt had been made to establish the principle of equality between the sexes regarding remuneration for equal output produced in the same conditions; and in no case were the wages paid to female personnel to be more than 10 per cent. below those of male personnel classified in the same category and grade. Two of the quarterly enquiries carried out by the Central Statistical Service of the Ministry of Labour give information concerning the differences between remuneration of men and women (both wage and salary earners) in the middle of 1946, that is to say just before the enforcement of the Order of 30 July referred to above, which marks a new step towards the establishment of wage equality.

¹ Cf. *International Labour Review*, Vol. LI, No. 5, May 1945, pp. 598-612; "Wage Increases in Liberated France".

² *Journal officiel*, 3 Aug. 1946, p. 6897.

³ *Circular TR 93/46* of 6 Sept. 1946.

⁴ Decision of 31 Oct. 1946 (*Journal officiel*, 2-3 Nov. 1946).

Wage earners. On an average, the differentials applied to women wage-earners on 1 April 1946 amounted to about 15 per cent. Wages had, on the whole, increased; but the gap between men's and women's remuneration had been maintained, though variations may be noted in certain industries and occupational groups. As an instance, the following table shows the percentage differentials for one wage zone (the fourth)¹:

TABLE IV. REDUCTIONS APPLIED TO WOMEN'S WAGES,
AS COMPARED WITH MEN'S, APRIL 1946¹

Industry	Unskilled	Semi-skilled	Skilled
	Per cent.		
Food	15	15	18
Chemical industries.	14	10	10
Rubber	16	15	15
Books.	18	20	24
Textiles	18	13	18
Clothing.	17	16	15
Wood.	13	15	12
Metallurgical industry.	14	14	11
Metal trades	13	15	13
Average.	14	15	16

¹ Figures apply to wage zone No. 4.

It appears that the occupations which had recovered more rapidly, such as metals, wood and chemicals, were applying smaller differentials than those which had not yet got over the depression (the book, textile, clothing, and food industries). Nevertheless, in July 1946, taking all occupations together, the differential applied to women wage-earners was about 14 per cent. The gap between the wages of the two sexes had been reduced in some industries, particularly food, chemicals and rubber, but it had widened in the book, textile, clothing and metallurgical industries and in the metal trades.² These two enquiries show also that in all occupational groups the differential was smaller for unskilled labour than for the other groups of personnel.

If women's wages are compared with the minimum wage rates prescribed for men, it is found that in April 1946 women's wages hardly reached this minimum level; in such industries as food, clothing and wood, female personnel were being paid wages averaging less than the minimum rates for men. The situation had already improved considerably by July 1946, when women's wages were

from 1 to 12 per cent.—according to industry—above the minimum rates fixed for men (as against from 1 to 7 per cent. in April); the only industries in which women's wages were still below the men's minimum in July 1946 were the food and wood industries.

Salaried employees. On the whole, there was among salaried employees in April 1946 a gap of 13 to 14 per cent. between men's and women's remuneration, the differentials being similar to those for women wage-earners.¹

POLICY REGARDING WOMEN'S EMPLOYMENT

As already stated, female labour has recovered very much the position it held in 1936, and now accounts for 37.7 per cent. of the total working force. Nevertheless the women of the country are expected to provide a still larger contingent of workers for national reconstruction.

The Manpower Commission, whose conclusions have been adopted by the Government and the Legislature, recalls in its first report that the unoccupied population includes nearly a million unmarried women and over a million married, widowed or divorced women without children, and that a large number of women with children have had to leave their employment owing to the difficulties of the times; it is among these groups, and particularly among the childless women, the report continues, that a recruiting drive should be made; and they should be given the possibility of mounting the occupational ladder on the same terms as men.²

The Commission recommends a series of measures to encourage women to go to work, particularly: effective equalisation of men's and women's wages; greater facilities for women to acquire and improve occupational skills; access to all posts, including the highest; replacement of the single wage allowance by an equivalent family allowance, in addition to normal family allowance; supply facilities (co-operatives, etc.) for women workers; extension of social services, and particularly the obligation to establish nurseries near the homes of the women workers concerned; the needs and possibilities should be studied at the local level and the necessary funds made available immediately.³

¹ *Revue française du Travail*, Aug.-Sept. 1946, p. 507.

² *Idem*, Nov. 1946, p. 735.

¹ *Revue française du Travail*, Aug.-Sept. 1946, p. 514.

² COMMISSARIAT GÉNÉRAL DU PLAN DE MODERNISATION ET D'ÉQUIPEMENT: *Premier Rapport de la Commission de la Main-d'œuvre*, Oct. 1946, p. 25.

³ *Ibid.*, pp. 28-29.