

UNITED STATES DEPARTMENT OF LABOR

L. B. Schwellenbach, *Secretary*

BUREAU OF LABOR STATISTICS

A. F. Hinrichs, *Acting Commissioner*

Employment Situation in Certain Foreign Countries



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UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, D. C., May 29, 1946.

THE SECRETARY OF LABOR:

I have the honor to transmit herewith a report on the employment situation in foreign countries. Part 1 gives details for British countries, the U. S. S. R., Sweden, and Switzerland and part 2 for liberated and enemy countries. A subsequent report, covering the employment situation in Latin America, appeared in the May issue of the Monthly Labor Review. This report was prepared under the direction of Faith M. Williams by Margaret H. Schoenfeld of the Bureau's Publications Staff and by members of the Bureau's Staff on Foreign Labor Conditions.

A. F. HINRICHS, *Acting Commissioner.*

HON. L. B. SCHWELLENBACH,
Secretary of Labor.

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Employment Situation in Certain Foreign Countries¹

Summary

Four months after VJ-day, unemployment was lower than might have been anticipated in the United Nations and neutral countries where industrial production was maintained at a high level through the war, and in some liberated areas, such as Belgium, France, and Norway. However, low unemployment in these countries does not necessarily mean continuance of the high level of employment maintained up to the defeat of the Axis powers. An indeterminate proportion of war workers—students, housewives, and retired persons—withdrawed from the labor market; some of the released veterans and civilians were not yet actively seeking work; others released from imprisonment or forced labor were temporarily incapacitated for seeking employment. In Denmark, unemployment was partially avoided by work sharing. In Germany, Italy, and Japan, the disorganization resulting from defeat and the ravages of war has caused heavy unemployment.

Wartime manpower controls tend to be relaxed as labor scarcity lessens and unemployment reappears, but in certain fields labor shortages continue. Nations in which the physical damage from warfare was either small or nonexistent have been able to abandon controls more rapidly than those that were bombed and fought over and in those where it has been considered expedient to delay the return of men in the armed forces to civilian life.

Reports from Great Britain, Australia, Canada, New Zealand, the Soviet Union, Sweden, and Switzerland show that employment on reconstruction and reconversion projects and in the production of consumer goods and, in some of these countries, retention of men in the armed forces have kept the number of unemployed to a small proportion of those who are able and willing to work, and far below pre-war levels. However, statistics on the subject thus far received in the United States show some increases in unemployment recently. All these countries have recognized the responsibility of the government for preventing unemployment and have developed plans of quite different types for achieving that end.

National and local plans for resumption of economic activity have been made in Italy, but unemployment has recently been estimated at 1 to 2 million and proposals for controlled and protected emigration were being discussed. The situation in the Balkans and eastern Europe is obscure, but it appears that there are large numbers of unemployed. In France and Belgium, however, in spite of the problem involved in rehabilitating great numbers of displaced persons,

¹ Materials for this report were taken from official publications and reports from members of the United States Foreign Service.

deportees, and prisoners of war, recorded unemployment had been reduced to a minimum by the autumn of 1945, and there was reported to be need of immigrant labor (for coal mining, building construction, etc.). No record is available of the numbers who were temporarily out of the labor market because of the enfeebled condition in which they returned to France, because of receipt of cash benefits or for other reasons. In both the Netherlands and Finland, proposed Government measures for increasing the number of applicants for jobs indicate a lack of work incentives. A common Nordic labor market was proposed by the Social Ministers of Denmark, Finland, Iceland, Norway, and Sweden at a conference held in September 1945.

In western Germany, industry is practically at a standstill. In the United States Zone, factories were operating at about 12 percent of available capacity in December. The number of men and women seeking jobs at employment offices was relatively small for a variety of reasons, among them the diversion of urban labor to farms, and the weakening of incentives because of disorganization and extreme shortages of anything that wages could buy. Some workers have been busy at repair of dwellings or raising food in gardens. The available labor surpluses, consisting mainly of women, white-collar workers, the old, and the physically handicapped, could not satisfy the demands for skilled or heavy manual labor which were acute in coal mining, building, and transportation. Some prisoners of war have been released to meet these demands. Responsibility for organizing unemployment relief projects rests, not with Military Government, but with the German civilian authorities which are at present functioning only on a local and provincial level.

In Japan, it was estimated in November that there were 4,000,000 unemployed. It is difficult to estimate accurately the existing amount of unemployment or the size of the labor force of Japan, because the repatriation of military and civilian Japanese from Korea, Manchuria, and other parts of the Far East is still in process. The Supreme Allied Commander has given the Japanese Government the responsibility for working out measures for the relief of unemployment and the development of employment in peaceful civilian industries within the general framework of the economic disarmament program.

In Latin America, reports indicate that current demands for food, petroleum products, and minerals have thus far combined to maintain employment at approximately wartime levels, but difficulties in obtaining needed machinery and machine tools have prevented the development of employment in certain new industries which are planned for the immediate postwar period.

Trend of Employment

National and international postwar policy is being directed toward achieving a high and stable level of employment, commonly called "full employment." If this goal is to be realized, the knowledge of the location, occupation, and size of the labor force, that was a wartime

necessity, must be continued into the peace to provide exact knowledge on which to determine manpower budgets.

Except for a few countries that have thus far issued detailed statistics of the distribution of their labor forces in wartime, the measurement of manpower utilization must be based on statistical series maintained before 1939 which show trend but not total volume of employment.

Data on employment and unemployment in nine countries for the period 1935-45 are shown in table 1 as far as they are available.²

The coverage of the unemployment statistics varies considerably. The membership of the trade-unions supplying unemployment statistics was as follows:

	<i>Members</i>
Australia (1940).....	470, 000
Canada (1940-44).....	450, 000
Denmark (1945).....	567, 000
Sweden (1945).....	786, 000

For Great Britain, New Zealand, and Norway, the unemployment statistics are related to comprehensive unemployment-insurance systems. The series for Great Britain and Norway as given here do not cover agriculture, forestry, fishing, and domestic service. The Swiss figures are based on a Cantonal unemployment system which is compulsory for most factory workers and voluntary for others. The Irish unemployment-insurance system is comprehensive, but because of peculiarities in the operation of the law, only the series for urban unemployment is comparable from month to month.

The statistics indicate a gradual decrease in unemployment from 1935 to about the spring and summer of 1938, when there was a slight increase in unemployment. The timing of this increase varied somewhat from country to country, but in general lasted until the following year. After allowances for seasonal fluctuations, it is seen that from the middle of 1939 a steady and marked decline in unemployment took place which continued through the first months of 1945. Immediately following VE-day and VJ-day, Denmark, Great Britain, Norway, and Canada experienced some increase in unemployment. This trend continued after VJ-day in Great Britain and Canada, but no marked unemployment has as yet been reported from these nine countries.

The employment series, in the three countries for which they are available, indicate that the peak in employment was reached rather early in the war—September 1941 in Norway, December 1943 in Canada, and March 1943 in Australia. The apparent early peak in Norway and later drop may be due to the fact that many people tended to shun the employment offices in order to avoid compulsory labor instituted by the Germans.

² Noncontinuous series or those without recent data are available for a much larger number of countries, such as Belgium, France, Germany, and Japan, but have not been reprinted here. These series are treated in the sections dealing specifically with the particular countries.

TABLE 1.—Statistics of Employment and Unemployment in Nine Foreign Countries, 1935-45 *

Period	Australia		Canada				Denmark		Great Britain	
	Wage and salary earners in factory employment, index (1928-29=100)	Trade-unionists unemployed	Employment, industrial ¹		Percent of trade-unionists unemployed	Trade-union unemployment fund, unemployed		Unemployed registered at employment offices		
			Number	Index (1926=100)		Number	Number	Percent	Total	Wholly unemployed
1935: March	80,548	18.6	96.4	902,138	16.7	84,342	22.3	2,153,870	1,746,277	
June	77,177	17.8	97.6	915,746	15.4	45,855	12.6	2,000,110	1,555,184	
September	107	69,575	15.9	102.7	964,977	13.0	57,923	14.9	1,958,610	1,576,425
December	111	59,992	13.7	104.6	985,481	14.6	124,612	31.7	1,868,565	1,585,990
1936: March	113	59,621	13.4	98.9	933,221	14.5	-----	26.2	1,881,531	1,550,574
June	111	57,001	12.8	102.0	963,401	13.9	46,138	11.3	1,702,676	1,326,057
September	113	52,482	12.0	107.1	1,015,639	10.9	53,181	12.9	1,624,339	1,322,934
December	115	46,863	10.7	110.1	1,044,411	14.3	127,478	30.3	1,628,719	1,365,035
1937: March	119	44,004	9.9	102.8	976,535	12.9	125,687	28.6	1,601,201	1,359,556
June	120	43,584	9.7	114.3	1,088,652	10.4	60,199	13.9	1,856,598	1,088,866
September	123	42,145	9.3	123.2	1,174,296	7.7	72,387	16.5	1,339,204	1,090,967
December	127	37,558	8.2	121.6	1,159,759	13.0	153,384	34.6	1,665,407	1,283,604
1938: March	128	36,751	8.0	107.8	1,029,001	12.8	99,658	21.9	1,748,981	1,350,121
June	126	39,464	8.6	111.9	1,072,123	13.5	75,679	16.6	1,802,912	1,268,566
September	124	42,672	9.2	115.1	1,104,865	10.4	77,373	16.7	1,798,618	1,324,151
December	124	41,667	8.9	114.0	1,097,953	16.2	147,152	31.4	1,831,372	1,474,019
1939: March	128	45,545	9.6	106.5	1,031,679	15.7	108,316	22.8	1,726,928	1,429,085
June	125	45,183	9.5	113.1	1,100,098	11.6	53,341	11.1	1,349,579	1,098,793
September	127	45,888	10.2	119.6	1,166,242	9.1	60,805	12.5	1,330,928	1,103,829
December	133	44,253	9.3	122.7	1,198,541	11.4	159,259	32.2	1,861,525	1,218,460
1940: March	134	38,307	7.9	113.5	1,109,826	10.8	182,493	30.6	1,121,213	965,667
June	133	49,775	10.5	120.9	1,184,283	7.6	84,636	16.9	766,835	648,314
September	140	36,892	7.4	131.6	1,290,530	4.4	89,936	17.8	829,846	613,671
December	146	31,491	6.2	139.1	1,364,601	7.4	179,410	35.6	705,279	541,900
1941: March	151	27,289	5.3	135.3	1,344,138	6.6	140,014	26.8	457,918	364,308
June	154	18,595	3.6	132.9	1,327,920	4.1	120,251	3.8	301,939	242,656
September	158	17,541	3.2	152.7	1,627,645	2.7	35,081	6.6	230,621	196,594
December	163	16,623	2.9	168.8	1,688,298	5.2	70,375	13.1	188,354	165,224
1942: March	165	10,767	1.8	165.1	1,651,757	4.5	95,737	17.8	183,444	149,328
June	166	10,296	1.7	171.7	1,718,329	2.5	17,402	3.2	135,762	121,646
September	168	9,603	1.6	179.3	1,795,411	8	24,349	4.6	106,170	99,240
December	171	8,350	1.3	186.5	1,867,597	1.2	47,341	8.8	104,108	95,602
1943: March	173	8,021	1.2	181.5	1,818,942	1.3	36,093	6.6	95,824	81,943
June	173	7,423	1.1	181.2	1,818,240	6	13,771	2.5	86,091	76,769
September	173	7,356	1.1	186.2	1,870,836	3	24,204	4.4	73,258	71,129
December	173	7,381	1.1	190.6	1,916,688	8	59,998	10.8	73,936	72,253
1944: March	173	6,987	1.0	181.7	1,831,310	9	29,484	5.3	79,037	76,674
June	170	9,433	1.4	180.5	1,821,490	3	10,532	1.9	74,090	73,072
September	169	7,947	1.2	185.5	1,882,790	3	18,858	3.4	63,197	61,905
December	167	7,925	1.2	185.7	1,887,752	6	47,463	8.4	81,070	79,235
1945: January	167	-----	-----	180.4	1,834,450	-----	57,738	10.3	98,720	95,273
February	167	-----	-----	178.9	1,820,842	-----	-----	11.6	-----	-----
March	167	7,616	1.1	178.2	1,813,991	7	-----	7.7	-----	-----
April	166	-----	-----	176.9	1,803,015	-----	51,288	9.1	90,479	88,969
May	166	-----	-----	175.5	1,789,970	-----	52,851	9.4	-----	-----
June	166	7,795	1.1	175.3	1,790,072	5	38,845	6.9	-----	-----
July	166	-----	-----	175.4	1,792,125	-----	33,591	5.9	113,468	111,825
August	166	-----	-----	175.0	1,787,952	-----	35,659	6.3	-----	-----
September	161	7,769	1.2	172.8	1,764,621	1.4	38,058	10.6	-----	-----
October	158	-----	-----	168.7	1,724,875	-----	38,643	6.8	245,289	-----
November	158	-----	-----	171.2	1,750,740	-----	40,277	7.0	277,431	-----
December	-----	-----	1.2	172.9	1,768,635	3.0	64,495	11.1	299,228	-----

* Since publication in Monthly Labor Review this table has been brought up to date and, in the case of Sweden, revised.

¹ Includes manufacturing, logging, mining, construction and maintenance, services, and trade.

² Includes unemployed casual labor.

³ Great Britain, after July 1940, excluded from "wholly unemployed" men at Government training centers.

⁴ Danish figures for June 1941 and thereafter exclude unemployables and those unemployed less than 7 days.

⁵ Excluding unemployables.

⁶ Including unemployables.

⁷ British figures for this and all following months exclude unemployables.

⁸ Beginning with 1943 British unemployment figures have been published quarterly, for January, April, July, and October; in this table the British figure for April has been used for March, July for June, etc.

⁹ For this and all following months the Australian employment index is provisional.

¹⁰ Provisional figure.

TABLE 1.—Statistics of Employment and Unemployment in Nine Foreign Countries, 1935-45—Continued

Period	Ireland: Unemployed registered at urban employment offices	New Zealand: Unemployed insured in receipt of benefits	Norway: Insured persons—		Sweden: Trade-unionists unemployed		Switzerland: Insured persons—			
			Em- ployed	Wholly unem- ployed	Number	Per- cent	Wholly unemployed		Partially unemployed	
							Number	Per- cent	Number	Per- cent
1935: March	45,160		11 41,631		91,116	18.5	72,981	13.4	36,495	6.7
June	42,590		29,757		54,934	11.3	45,445	8.3	29,895	5.4
September	42,490		32,548		53,967	10.9	51,045	9.2	30,861	5.6
December	42,190		40,950		104,784	21.3	94,940	17.0	37,217	6.7
1936: March	43,630		39,999		83,912	16.5	85,062	15.6	37,203	6.7
June	37,500		26,139		47,187	9.3	55,826	10.1	29,143	5.3
September	35,500		28,122		45,251	8.7	60,629	11.0	28,336	5.1
December	35,120		36,260		92,683	17.5	78,864	14.3	18,176	3.3
1937: March	37,180		32,951		80,221	14.5	66,985	12.7	14,488	2.7
June	36,050		22,028		43,468	7.7	34,032	6.4	10,217	1.9
September	38,070		25,431		38,941	6.8	36,404	6.8	11,194	2.1
December	39,690		33,906		102,676	17.8	71,613	13.4	18,877	3.5
1938: March	42,110		34,104		79,313	13.0	52,007	9.6	25,074	4.7
June	38,890		22,938		52,171	8.5	34,005	6.3	25,580	4.7
September	38,780		26,105		46,586	7.5	34,264	6.3	23,502	4.3
December	43,880		34,873		110,837	17.8	74,689	13.7	26,178	4.8
1939: March	44,910		33,194		79,861	11.7	56,518	10.4	21,069	3.9
June	41,020	7,036	20,802		38,619	5.6	23,947	4.4	14,717	2.7
September	44,080	6,805	22,672		44,629	6.3	22,912	4.2	15,222	2.8
December	46,750	5,042	29,358		107,890	15.2	39,586	6.2	12,425	2.3
1940: March	49,570	4,053	29,100		113,632	15.8	17,839	3.3	9,603	1.8
June	42,310	6,048	37,200		62,962	8.7	8,607	1.6	10,534	2.0
September	42,760	4,286	22,800		71,006	9.8	11,454	2.2	14,066	2.7
December	41,890	2,405	511,544	11 21,800	115,521	16.1	28,095	5.3	12,894	2.4
1941: March	46,810	1,815	511,371	11 42,514	114,280	15.1	10,604	2.0	8,345	1.6
June	41,370	2,391	573,809	8,446	69,567	9.3	6,474	1.2	7,862	1.5
September	41,490	2,094	576,582	5,650	55,000	7.3	6,002	1.1	8,183	1.6
December	40,310	1,234	546,610	10,374	97,000	13.0	18,806	3.6	14,877	2.8
1942: March	44,020	841	536,416	13,879	83,872	11.0	12,163	2.3	12,592	2.4
June	41,090	848	558,930	1,424	36,797	4.9	4,863	.9	8,227	1.6
September	41,490	803	561,411	888	32,779	4.3	5,126	1.0	8,374	1.6
December	41,180	549	534,385	1,054	78,894	10.3	15,208	2.9	14,606	2.8
1943: March	38,400	373	549,098	630	49,538	6.4	7,200	1.4	7,943	1.5
June	35,720	390	547,935	198	34,075	4.4	4,837	1.0	7,376	1.5
September	36,090	445	540,289	240	27,151	3.5	3,932	.8	7,017	1.4
December	35,860	322	527,539	321	74,207	9.6	14,527	2.8	11,316	2.2
1944: March	33,890	266	531,799	308	56,895	7.2	11,624	2.2	11,017	2.1
June	33,830	288	533,308	86	25,457	3.2	3,365	.6	6,973	1.3
September	32,790	398	521,811	183	22,805	2.9	(1)	(1)	(1)	1.5
December	37,330	368	494,732	13 600	57,980	7.2	18,703	3.7	10,789	2.0
1945: January	34,280	315	480,855	14 1,172	52,446	6.5		5.3		1.8
February	34,040	222	481,344	1,257	50,101	6.2		3.2		1.7
March	32,000	269	479,766	1,000	48,349	5.9	7,155	1.3	8,321	1.6
April	31,300	193	471,875	735	37,034	4.5	4,515	.8	6,454	1.2
May	31,320	186	451,575	8,628	30,538	3.8	3,387	.6	4,742	.9
June	30,510	242	436,335	14,420	28,040	3.5	3,389	.6	4,364	.8
July	30,650	10 254	438,000	10,362	25,983	3.2	3,175	.6	3,807	.7
August	30,280	10 270	442,763	10,278	24,789	3.1	3,886	.7	3,735	.7
September	29,847	10 297	437,026	11,456	24,026	3.1	4,179	.8	2,716	.5
October	31,075	10 377	448,452	14,480	25,552	3.2	4,513	.8	2,448	.5
November			458,758	16,592	32,314	3.9				
December					54,915	6.7				

¹⁰ Provisional figure.

¹¹ Norwegian figures for 1935 through 1940 are for registered unemployed; figures for 1941 and thereafter are as indicated in column heading above.

¹² No data.

¹³ Estimates based on September 1944 data; communications with northern Norway were severed in that month.

¹⁴ Figures for 1945 exclude northern Norway.

Part I.—British Countries, U. S. S. R., Sweden, and Switzerland

Foreign countries with a high level of industrial production throughout World War II, which were able to proceed immediately to reconversion when war ceased in 1945, include five United Nations (Great Britain, Australia, Canada, New Zealand, and the Soviet Union) and two western neutrals (Sweden and Switzerland). Although the employment outlook differed greatly among these nations in 1939, as the war progressed, manpower resources were strained in all seven in the maintenance of relatively large numbers of men under arms and in the production of war or other goods in quantity. Great Britain and the Soviet Union were the only belligerents in this group that were in the original theater of war and seriously damaged by enemy attack. Britain also had a fairly small population and the authorities realized early that the combination of staffing the military forces and furnishing manpower for industry would be a serious problem. During the early stages of the war, Australia's effort was concentrated on industrial development to build up productive resources, a relatively small proportion of total manpower being diverted to the armed forces. Canada's immediate problem was to absorb some 400,000 unemployed and to supply food and munitions to other allied nations. Before the attack on Pearl Harbor, New Zealand was able to send 86,000 men overseas, without reducing industrial output, and actually raised production in nonluxury lines by absorbing the few unemployed, increasing individual effort, and other means. The Soviet Union had achieved full employment and was developing its industry farther from the European borders and nearer its sources of supply. The two neutrals, Sweden and Switzerland, had practically full employment when hostilities commenced, but prepared for the possibility of unemployment.

Introduction of Labor Controls

The timing in the progressive tightening of labor controls naturally corresponds roughly with the periods when dangers of war became acute in the different areas. All of these countries except the Soviet Union gave their Governments general powers over labor in 1939; in 1940, the fall of France and the Low Countries led to a broadening of compulsory powers over labor. In British countries this action was authorized under amendments, in May and June, to the emergency legislation of 1939; these authorized the Governments to require citizens to place themselves, their services, and their property at the disposal of the respective nations when this appeared necessary for the public safety and national defense. Sweden did not change her general control legislation in 1940 but was obliged to take other steps to facilitate the best use of labor, owing to the adverse effect on her foreign trade resulting from the blockade. In Switzerland, the compulsion on labor to perform urgently needed work, covering males 16 to 65 years of age and females 16 to 60 years of age, with exceptions, was increased by order of May 17, 1940, making the compulsory powers more specific. In the Soviet Union the Presidium of the Supreme Soviet used its decree-making constitutional powers whenever the occasion called for defense measures.

REGISTRATION OF WORKERS

To exercise the powers thus granted (later extended under the different national orders and regulations), a knowledge of the available labor force was required. This was obtained by means of national registrations. Great Britain began in 1939 by registering males between the ages of 18 and 41 years for military service, and gradually covered the work force of both sexes in registrations under different regulations. Australia carried out a registration early in 1942 covering individuals over 16 years of age (later reduced to 14 years) and attributed the success of the registration program to (1) the fact that the returns were to be the basis for the issuance of identity cards and for civilian rationing, (2) the desire to cooperate, in view of the possibility of invasion, and (3) the growing consciousness of the need for information. The Canadian registration in 1940 covered every person 16 years of age and over. Registration in New Zealand was carried out by age classes as in Britain. By law of December 30, 1939, the Government of Sweden was empowered to register persons for compulsory labor service, but this power was utilized only under statute of November 1942 to mobilize male subjects born in 1923 for work in the forests and peat bogs. A decree of September 1942, effective on November 1, 1942, required labor-recruiting offices in Switzerland to maintain a register of persons liable for compulsory labor service and of those unemployed or not regularly employed.

MEASURES RELATING TO ESSENTIAL WORK

Australia and Great Britain issued lists of so-called "reserved occupations" from which men meeting the occupational and age requirements might not be taken for military duty. During the first 2 years of the war, this was the only labor control of significance in Australia. Great Britain's schedule was used as a basis for deferring men until January 1942, when it was virtually abolished and deferment was granted only if the job itself was essential and the worker was irreplaceable. New Zealand apparently also used such a list in authorizing deferment but without publishing it (as in the foregoing countries) and without blanket reservations for any industry, service, or occupation.

Once Britain's law of mid-1940 authorizing increased manpower control was on the statute books, it was implemented immediately. The widely discussed regulation 58A was adopted, which empowered the Minister of Labor and National Service to direct any person of any age in the United Kingdom (not only in Great Britain) to perform services of which the Minister deemed the individual capable. In the same period, the Undertakings (Restriction on Engagement) Order was promulgated, providing for the engagement of workers in certain vital industries through employment offices.

Another turning point in Great Britain was reached after March 5, 1941, with the adoption of the Essential Work (General Provisions) Order under which a series of essential-work orders was issued for different industries. Regardless of age, persons employed in an industry or enterprise which was declared to be essential were forbidden to leave their employment and might not be dismissed, except for serious cause, without the permission of the local representative of the Minister of Labor. As the war progressed, 7½ million persons in Great

Britain were subject to the restrictions of the essential-work orders. All of these basic control measures were in force before the attack on Pearl Harbor. They were later supplemented by such orders as those requiring that women between certain ages should be employed only through employment offices (Employment of Women (Control of Engagement) Order of January 1942) and requiring employers to report the termination of employment of all males 18 to 64 years old and females 18 to 59 to employment offices (Control of Employment (Notice of Termination of Employment) Order of 1943).

It was late in 1941 before Australia acted to stop labor pirating, which was assuming serious proportions. Regulation 5 of the National Security (Manpower) Regulations authorized the Government to declare, by order, that any industry or section of an industry, or any enterprise, or part thereof, was "protected." In a protected employment, the employer waived his right to dismiss an employee except for serious misconduct and the employee might not resign without written permission from the Director General of Manpower. The next measure (following the Pearl Harbor attack) was to forbid employers to seek to engage or to engage male labor except through a national service officer unless a permit had been issued. The regulation (No. 13, Statutory Rules 1942, No. 34, January 31, 1942) did not apply to munitions employers or those carrying on protected work.³

Direction into employment was confined to unemployed registrants until January 29, 1943, when employed persons were also brought under control. Between that date and July 31, 1944, directions were authorized in 9,629 cases, representing about 1 percent of the number of placements; other workers transferred voluntarily.

In Canada, competition for labor by employers led the Government to issue an order on November 7, 1940 (P. C. 6286), prohibiting employers from enticing workers by advertisement and other means. However, important extension of manpower controls did not start until 1942, following the establishment of the National Employment Service in the previous year. On June 12, 1942, the Control of Employment Regulations specified that the hiring of both males and females should be done through employment offices. By a regulation of September 1942, workers were required to give 7 days' notice of intention to quit their employment, and the same restriction was placed on employers who wished to dismiss workers. A survey was made in order to assign priority ratings to different companies (rating them very high, high, low, or no priority) and on January 19, 1943 (P. C. 246), the compulsory transfer of labor was authorized. A series of compulsory transfer orders followed, providing for the removal of workers to essential jobs. Up to August 31, 1944, a check of 170,000 men had disclosed that approximately 90 percent were already in essential work and 10 percent could be transferred. The manpower policy was rounded out on September 20, 1943 (P. C. 6625), when workers employed in industries of high essentiality were "frozen" on their jobs. This measure had a broad coverage, as about a fourth of the workers 14 years of age and over were employed in high-priority classes on January 30, 1943.

In New Zealand, wartime control of industrial workers followed Japan's attack on Pearl Harbor. Starting in January 1942, the

³ Coverage was later extended to female workers under 45.

Industrial Manpower Emergency Regulations provided that in industries and enterprises declared to be essential, workers might not leave their employment without a district manpower officer's consent. Employers were required to obtain consent for the termination of a worker's employment. By March 31, 1944, it was estimated that some 255,000 workers were engaged in essential industries. The object of the declaration of essentiality was twofold—to hold those workers already employed and to prepare for the compulsory direction of others into essential work, as required by the emergency regulations. Up to March 31, 1945, direction of 168,612 persons into employment was authorized. The Employment Restriction Order completed the main controls, by prescribing that, before a worker might be employed in any important urban area, consent must be obtained from the appropriate district manpower officer.

On June 26, 1940, a year before the German attack, Soviet workers were forbidden to quit their jobs without permission from their employers. On October 19, 1940, skilled and technical workers were made subject to compulsory transfer to any part of the country. By the decree of December 26, 1941, all war workers were "frozen" in their jobs. It was not until 1942 that the civilian population was mobilized for war work; the decree of February 13 created a committee for the registration and distribution of able-bodied persons living in cities but not working in State enterprises. Those affected were men 16 to 55 years of age, and women 16 to 45 (later changed to 50). The decree of April 13, 1942, similarly made all able-bodied city and village residents, from ages 14 to 55 for males and 14 to 50 for females, subject to draft for urgent agricultural seasonal work.

On May 7, 1940, the Swedish employment offices were placed under State control, to facilitate transfer of workers. In November 1942 (Statute No. 878) all male Swedish subjects born in 1923 were mobilized to work in the forests or peat bogs, as the fuel shortage was critical. This statute was repealed effective February 1, 1944, and thereafter only voluntary labor was used in these pursuits. In December 1943, the State Labor Market Commission provided for relief work on road building in certain Provinces in which the loss of export markets for forest products had caused unemployment.

Following the adoption of general compulsory powers in the early war period, the Swiss Government found it necessary to apply its compulsory-service powers more specifically to agriculture by action on February 11, 1941, May 28, 1942, and January 26, 1943, and to construction work which the Army Command or the Office for Industry and Labor regarded as of national importance, under the terms of orders of April 17, 1941, and March 31, 1942. In September 1942, the War Industry and Labor Office was empowered to draft both employed and unemployed workers and, if necessary, to transfer them from one working place to another.

To prepare for possible unemployment, the Swiss Federal Council in July 1942 outlined regulations for providing employment in wartime. The Confederation was empowered to grant subsidies and loans and to undertake work projects itself under a program popularly known as the "Zipfel plan." In August 1943, the program for combating unemployment was entrusted to the Employment Commissioner who had been appointed in 1941. The functions of the Commissioner included the coordination of employment measures of

public agencies and private enterprises; and the proposal of measures for the development of export trade in cooperation with the appropriate Federal offices or departments. Provision was also made for granting Federal subsidies for works having cultural, economic, or military interest. The need for providing work opportunity did not arise, however, and few workers appear to have been employed under these plans.

Disposition of Labor Force

Great Britain, Australia, and New Zealand were able to increase their respective labor forces (armed and civilian) to a peak in 1943. Either some reduction occurred later or the totals remained nearly stable as a result of varied factors, important among them war casualties and, no doubt, the retirement of indeterminate numbers of persons when the acute danger period of the war had passed. In Canada, the official estimates for 1944 show a continuing but slight numerical rise in both the armed forces and gainful workers, the combined advance corresponding with the population growth. For the Soviet Union, Sweden, and Switzerland, information is not available showing the changes in total volume of manpower.

The apportionment of manpower between the armed forces and different forms of civilian work in the four British Commonwealth nations followed an irregular course within individual countries and also between countries, depending on the relative impact of the tide of war and the pressure for increased production. In general, of the belligerents, Great Britain and Canada were still maintaining their fullest military strength in the late months of the war. In Australia, it was decided to shift a part of the military manpower back to civilian production in 1943. New Zealand made such a diversion in 1944.

The accompanying tabulation shows, for the period between the outbreak of war in 1939 and the date of peak employment in each of the four warring countries, the rise in total manpower (including persons bearing arms) and the maximum proportion of manpower in the armed forces (including the auxiliary women's services and full-time civilian defense).

	<i>Percent of increase in total labor force ¹</i>	<i>Percent of total labor force in military forces</i>
Canada ² -----	32	15
Australia ³ -----	24	22
Great Britain ⁴ -----	13	24
New Zealand ⁵ -----	9	17

¹ Allowance must be made for the different methods by which the statistics were collected in the countries concerned and the variation in coverage. No adjustment has been made for population growth.

² Includes categories such as homemakers on farms (see table 3).

³ Based on estimates obtained from different sources.

⁴ Includes males 14-64 years and females 14-59 years, in Great Britain only.

⁵ Coverage not defined.

GREAT BRITAIN

To meet the manpower requirements of the armed forces and for munitions and supply production, Britain curtailed the number of employees in civilian and export industries sharply. In Great Britain (Northern Ireland excluded) distribution of manpower of working age (i. e., males 14 to 64 years and females 14 to 59 years) was shifted during hostilities, as shown in table 2. When mobilization was at its peak in September 1943, the proportion of persons between the

ages noted who were at work or under arms, etc., represented 94.3 percent of males and 45.3 percent of females—in all, 69.7 percent of this entire population group. Of the 22 million persons of working age, almost half were in the armed services or employed in “munitions work.” Mobilization for war greatly overstrained the British economy. Such occupations as building, textiles, distribution, professional services, etc., had a labor force of just over 5 million in 1944 (excluding those engaged on war orders) as compared with well over 9 million in 1939.⁴

TABLE 2.—*Distribution of Manpower in Great Britain, Selected Periods, 1939-45*

Industry and service	Number (in thousands)			
	June 1939	June 1943	June 1944	May 1945
Total labor force (excluding indoor private domestic service).....	19,750	22,281	22,004	21,652
Armed forces and women's services.....	477	4,754	4,963	5,086
Civil defense, national fire service, and police.....	80	323	282	158
Industry:				
Group I ¹	3,106	5,233	5,011	4,492
Group II ²	5,540	5,632	5,686	5,688
Group III ³	9,277	6,279	6,008	6,141
Registered insured unemployed.....	1,270	60	54	87

¹ Metal and chemical industries.

² Agriculture; mining and quarrying; national and local government services; gas, water, and electricity supply; transport, shipping, and fishing; and food, drink, and tobacco.

³ Building and civil engineering, textiles, clothing, boots and shoes, other manufactures, distributive trades, other services.

AUSTRALIA

Australia started the war with an effort to build up industrial resources, diverting only a small proportion of total manpower to the armed forces. When France fell, and again when Japan entered the war, more labor was shifted to the military services and munitions production. During 1943, it became apparent that the increase in manpower for direct military use was not feasible, owing to arrears in the maintenance of rural and other industries; in October, therefore, priority was placed on “indirect” war industries. The strategic position also having improved, it was possible to shift 40,000 men to other work from the army and munitions industries.

	<i>Estimated number (in thousands)</i>		
	<i>August 1939</i>	<i>June 1943</i>	<i>June 1944</i>
Total labor force.....	2,750	3,400	3,300
Employed.....	2,437	2,636	(¹)
Armed forces.....	13	738	(¹)
Unemployed.....	300	26	(¹)

¹No data.

CANADA

By mid-1942, manpower conditions in Canada had become very difficult and it was estimated that 1,300,000 persons were either in the forces or directly or indirectly engaged in war production; 1,350,000 were agricultural workers and 300,000 were engaged in essential

⁴ For more detailed information see Monthly Labor Review, January 1945 (p. 74) and December 1945 (p. 1149).

utilities and mining. The remaining 2,000,000 persons employed in civilian industries comprised the only large pool of labor, and it was estimated that 500,000 of these might be withdrawn for other purposes by drastically cutting living standards. The subsequent shifts in large groups of the labor force are given in table 3.

TABLE 3.—Estimated Distribution of Manpower in Canada, Selected Periods, 1939–44

Class	Oct. 1, 1939		Oct. 1, 1943		Oct. 1, 1944	
	Number (in thou- sands)	Percent	Number (in thou- sands)	Percent	Number (in thou- sands)	Percent
Total population, 14 years of age and over.....	8, 332	100.0	8, 797	100.0	8, 904	100.0
Total labor force in armed forces or gainfully occupied.....	3, 863	46.3	5, 029	57.2	5, 095	57.2
Armed forces ¹	70	.8	753	8.6	777	8.7
Gainfully occupied ²	3, 793	45.5	4, 276	48.6	4, 318	48.5
Nonagricultural.....	2, 568	30.8	3, 291	37.4	3, 293	37.0
Agriculture—males only.....	1, 225	14.7	985	11.2	1, 025	11.5
Farm women, 14–64 ³	805	9.7	765	8.7	780	8.7
Students.....	633	7.6	442	5.0	442	5.0
Unemployed.....			66	.7	61	.7
All others ⁴	3, 031	36.4	2, 495	28.4	2, 526	28.4

¹ Includes prisoners of war and persons missing but still "on strength". Excludes persons enlisted but on leave and in civilian occupations.

² Excludes women gainfully occupied on farms or in farm homes who are included with farm women.

³ All women on farms are covered, except students, women 65 years old and over, and those gainfully occupied outside the farm.

⁴ Includes homemakers not on farms.

NEW ZEALAND

The wartime movement in the labor force of New Zealand is shown in the statistics for December 1939, 1943, and 1944, as given in the accompanying tabulation. In 1943, the armed forces were apparently expanded, at the expense of industry, but in 1944 the movement was reversed.

	Estimated number (in thousands)		
	Decem- ber 1939	Decem- ber 1943	Decem- ber 1944
Total population.....	1, 642	1, 723	1, 742
Total labor force and armed forces.....	703	763	757
Labor force.....	700	634	655
Armed forces.....	3	129	102

SWEDEN

Sweden, although not a participant in the war, felt its effects in a labor shortage. When war broke out in 1939, the Swedish labor force was practically fully employed and remained so until the blockade of April 1940 cut off important foreign trade. The dislocation which followed was increased by military recruitment and also by the shift to the production of defense materials and substitutes for goods previously imported. Unemployment immediately after the blockade was minimized by the availability of raw materials imported prior to that time. By 1944, withdrawals from civilian pursuits for military service had been offset, in part, by employment of refugees.⁵

⁵ In mid-November 1943, of 18,000 Norwegian refugees, 12,000 were employed; of 9,000 Danish refugees, some 6,000 were employed. The number of refugees in Sweden totaled 170,000 in November 1944, of whom 45,000 were Finnish children. With the return of refugees to their homelands, labor shortages were noted in parts of Sweden.

The employment of refugees was encouraged by Royal Proclamation of October 1, 1943, authorizing citizens of the other Scandinavian countries (and Estonian Swedes) to take employment without first obtaining the work permits required by the Swedish Social Board. Other aliens in Sweden were permitted to work in domestic, forest, agricultural, and peat employment without permit.

Indexes of employment (September 1939=100) in certain industries for selected periods are shown in table 4.

TABLE 4.—*Indexes of Employment in Specified Industries in Sweden, Selected Periods, 1941-45*

Group	Indexes (September 1939=100)			Group	Indexes (September 1939=100)		
	September 1941	September 1943	January 1945		September 1941	September 1943	January 1945
All occupations ¹	92	91	95	Shoe factories.....	89	86	87
Building industry.....	62	61	63	Sawmills and planing mills.....	75	64	61
Explosives.....	165	114	102	Iron, steel, and copper works.....	110	101	105
Coal mines.....	132	104	127	Machine shops.....	111	119	128
Peat industry.....	175	192	75	Shipyards.....	107	114	124
Flour mills.....	104	98	89	Woodpulp mills.....	63	65	66
Packers and cannery.....	124	108	105	Woolen industry.....	95	89	101
Tanneries.....	111	95	110	Cotton industry.....	96	87	94

¹ This series covers a broader range of industries than shown in the table

SWITZERLAND

After the war started in 1939, Switzerland had 650,000 persons under arms.⁶ The size of the military forces was reduced to 250,000, however, after the collapse of France. Lacking information on the total number of persons mobilized for production, the index of wage-earner employment from representative industrial establishments is shown. Employment in this sample of enterprises rose from 1939 through 1942, then dropped, as follows:

	Index of employment (1929=100)		Index of employment (1929=100)
1939.....	76.8	1944.....	77.9
1940.....	80.3	1945:	
1941.....	84.3	June.....	85.0
1942.....	85.6	December.....	91.0
1943.....	81.9		

Relaxation of Controls, and Problems of Transition

The sudden end of warfare in the Pacific, sooner than anticipated, involved certain dislocations that might have been avoided had there been time for a gradual shift of personnel from war to civilian production. This, in turn, resulted in a more rapid removal of manpower controls than would have been possible otherwise in Australia, Canada, and New Zealand, as labor became more plentiful; and in some instances unemployment reappeared. Government officials hoped that the major remaining controls might be lifted by the end of 1945 in Australia and New Zealand and very rapidly in Canada, although no date was specified. Among the five United Nations included in this

⁶ This number constitutes over a third of the gainful population of 1,942,626 persons which was reported in the census of 1930; official data are not available showing the gainful population in 1939.

discussion, Great Britain was an exception; in that country certain essential controls were retained in the belief that they would be necessary for some time to come. It is still too early to obtain a complete picture of the status of labor controls in the Soviet Union; however, in view of the great problems of reconstruction, these controls are not likely to be relaxed completely for some time. On March 17, 1944, Sweden extended its National Labor Service Act to June 30, 1945; no information has been received to indicate whether it was extended beyond that date. Switzerland narrowed the application of obligatory work service but did not consider it advisable to relax labor controls when active military service was ended in that country on August 20, 1945.

Civilian manpower controls that were continued in Great Britain after VJ-day cover smaller numbers than in wartime, owing largely to the narrowing of the age classes affected and the shrinkage in the work force in the industries or enterprises subject to control. Thus, exemption from essential-work orders has been extended to men aged 65 years and over, women of 50 and over, workers who have been away from home for 3 years (and who can find important work near home), and persons who are granted licenses to reopen shops or businesses. The coverage of essential-work orders has also declined as war plants have ceased production. On June 4, 1945, the control of engagement of workers was narrowed to males 18 to 50 years old and females 18 to 40 years old.⁷

Britain's chief problems are (1) to restore the export trade on which the country was largely dependent prior to World War II and of which over two-thirds was deliberately sacrificed to the war effort and (2) to relieve the worst civilian shortages, of which housing is among the gravest. To bring the labor strength of certain industries back to the prewar level, construction, which in the fall of 1945 had 337,000 persons, would require double that number of additional workers; cotton (including rayon staple fiber, carding, spinning, doubling) would require 90,000; and clothing and hosiery 200,000 workers. Other high-priority industries are agriculture, services of different kinds, and printing. Manpower needs in the foregoing pursuits cannot be met fully but are to be given priority.

Notwithstanding the fact that the general outlook in Britain is one of labor scarcity, some transitional unemployment was expected, owing to cutbacks, lack of transportation, and housing shortages. Another complication is the wartime dispersal of industry, which necessitates extensive readjustment. The difficulty of obtaining sufficient labor in the transition period is complicated by the desire of some workers to retire, to take care of their families and homes, or to take vacations. Ex-servicemen are entitled to 8 weeks of paid leave on discharge, with additions for overseas service; of them 260,000 had not yet taken employment in mid-September. The rate of discharge from the armed forces is another factor; according to figures released by the British Government in mid-November 1945, 1¼ million members had been released since D-day. By December 1945, the total labor force was 20,969,000; of this total, the armed forces numbered 3,966,000; the employed 15,968,000, of whom 1,790,000 were making supplies for the armed forces. Ex-servicemen not yet at work numbered 750,000, while 285,000 persons

⁷ See *Monthly Labor Review*, September 1945 (p. 437), for further details.

were unemployed. A source of some supplementary labor consists of German prisoners, of whom the Government proposed in October 1945 to use 110,000 for reconstruction work.

Australia began to revoke nonessential manpower controls soon after the Japanese surrender, by waiving the requirement that a permit be obtained to leave or change employment. No one was to be directed into employment; young persons under 18, women over 45, and ex-servicemen who were not released on occupational grounds were to be completely free in choosing employment. Any employer might advertise for labor in the above categories but, temporarily, other advertising was to be subject to permit. By the end of October, compulsion to remain in protected enterprises was lifted in its entirety. The only remaining control required certain nonessential businesses to obtain permits to secure additional labor.

The great problem in Australia at the war's end was the redistribution of more than 1,150,000 men and women (including 650,000 in the armed forces, 250,000 in war and related industries, and 250,000 transferees whose peacetime jobs were cut off in wartime). Some delay was expected in transference of war workers. Rapid absorption was contingent on the reconversion of war plants and the availability of raw materials for production. Continuing labor shortages, largely of skilled labor, existed in the Melbourne metropolitan area in early November.

Canada discontinued the compulsory transfer of men to highly essential employment in May 1945, after the war ended in Europe. Women were freed from the necessity of obtaining selective-service permits before taking employment (but had to report employment 3 days after acceptance), and employers were permitted to advertise for their services. The Japanese surrender was followed by the revocation of part of the controls on August 16, 1945, except those requiring that men obtain employment-office permits to accept work other than in agriculture and fishing; that employees give 7 days' notice of intention to quit a job; that employers list vacancies with employment offices, and that those seeking work must register there; and that persons seeking work outside Canada must obtain labor-exit permits.

Recent official employment statistics show that the number of registered unemployed exceeded the number of available jobs. Actual unemployment was greater than that reflected in a comparison of unplaced workers and unfilled jobs since the full effects of the war's end on employment was not immediately apparent, as many ex-servicemen and some ex-war workers were taking vacations before looking for jobs.

By June 1945, the New Zealand Minister of National Service announced the first classes of workers which were to be removed from control. The classes released from control consisted of wives of returned servicemen who wished to establish homes; married women aged 40 years or over; young persons under 18; and widows of servicemen who died in World War II. Early in August, control was also removed from returned servicemen, regardless of their medical grading. Immediately after VJ-day the following classes were exempted from direction into employment: All married women; all other women aged 30 years and over; and all men of 45 and over. The requirement that employers should secure consent to engage manpower was waived, and

they were required only to notify manpower officers of such action within 7 days. The one control remaining was that whereby certain workers were frozen in their jobs by reason of declarations of essentiality.

In the Soviet Union, manpower controls have been continued. However, effective on July 7, 1945, the Presidium of the Supreme Soviet of the U. S. S. R., in celebration of the victory over Germany, granted a general amnesty to all workers who were imprisoned or convicted for deserting their wartime jobs.

Compulsion in directing labor to employment was used in Sweden only in the fuel industry, during 1942-43, and specific legislation on direction within that industry was repealed early in 1944. The removal of 120,000 metalworkers from employment, owing to a strike that lasted from February to July 1945, lessened unemployment during reconversion to peacetime conditions. About 30,000 of these employees worked temporarily in other occupations, notably forestry, for varying periods. Resumption of shipping at the beginning of June 1945 tended to increase employment. Other favorable factors were the return of the metalworkers to their employment, the reopening of markets, and the reconversion of industries. On the whole, the employment situation was very satisfactory throughout the first three quarters of 1945.

By order of August 17, 1945, the Swiss Government provided for the limitation of obligatory work service to those industries which supplied food and fuel—agriculture (including the improvement of land designed to increase the production of food), forestry, mining, and turf cutting. Up to October 1945, employment records were favorable. A noticeable drop occurred in requests for employment, in job vacancies, and in placements recorded at the employment offices for agriculture, the building trades, and among unskilled workers. As the situation was reversed for skilled workers, the explanation may be that the unskilled were absorbed in compulsory service, agriculture, and certain phases of industry under the orders already cited. Apparently, the need for the public-works plan authorized by the decree of July 1942 (the Zipfel plan mentioned above) was not great, for the number of positions procured under that program in July 1945, after the end of the war in Europe, was smaller than in the same month in 1943 and in 1944, as shown by the following tabulation:

	Number of jobs		
	1945	1944	1943
Relief work, work-service, vocational classes, etc..	1, 393	1, 289	1, 179
Voluntary military service-----	2, 703	2, 274	2, 202
Work companies for military or civil projects-----	3, 125	2, 016	2, 443

Long-Term Outlook

In all seven countries, exploratory work has been carried on to determine means of providing a high and stable level of postwar employment. Great Britain avoided the use of the term "full employment" in the White Paper on Employment Policy issued in 1944 (Cmd. 6527) as did Canada in 1945 in a similar paper on Employment and Income, although the Canadian report stated that "in setting as its aim a high and stable level of employment and income, the Government is not selecting a lower target than 'full employment'." Members of the Governments of the four United Nations in the British

Commonwealth have also indicated that the maintenance of conditions conducive to high employment is a public responsibility.⁸ In the Soviet Union, measures to provide full employment are an integral part of the planned economic system and there is no reason to assume that there will be any change in that policy. The same view is inherent in the 1944 report of the Swedish Postwar Economic Planning Commission and the Social Democratic-Labor program for postwar economic policy in that country states as one of its aims that "full employment [is] to be reached under the economic leadership of the Government."⁹

The position of the Swiss Government, as expressed by the Employment Commissioner in September 1942 and in the decree of July 1942, was that the Confederation should cooperate with the Cantons and private enterprise in preventing unemployment, insofar as private enterprise is unable to do so. The conclusion was that full employment has been provided successfully by the State only in countries in which the whole economy was centrally controlled, and such a system is incompatible with the principle of the Swiss Federal structure.

Great Britain omitted reference to public or private ownership in the document on employment, as being outside the scope of the report. Canada stated that the economy would continue to be based on private ownership of industry. The Australian report maintained that the Commonwealth and States are responsible for providing the general framework within which individuals and businesses can operate. The Australian Prime Minister stated, after VJ-day, that the Government did not propose to take over control of industrial enterprise but that it was unwilling to see production potentials unused. For some time (under the Industrial Efficiency Act of 1936) New Zealand has been empowered to achieve a planned economy through rationalization and control of industry (including licensing). As is well known, the Soviet system is based on a planned socialized economy. The Swedish Social Democratic-Labor program calls for socialized insurance and centralized banking, and the Swiss view is explained in the opposition to State control.

All the countries covered, except the Soviet Union, are committed to a program whereby public expenditures will be increased when it seems likely that private expenditures may decline, thereby adversely affecting the volume of employment and reducing purchasing power. In the British Government White Paper of 1944, responsibility was assumed for encouraging privately owned enterprises to plan their own expenditures in conformity with a general stabilization policy, and it was stated that public investment can be used more directly as an instrument of employment policy. The Australian report asserted that to secure the maximum possible stability in private-capital expenditure, it is essential that public expenditure should be sufficiently high at all times to stimulate private spending; public expenditure should be used also to offset declines. Canadian Government effort in stimulating private investment is to be directed toward keep-

⁸ For a summary of the British employment report, see *Monthly Labor Review*, issue of August 1944 (p. 296), for that of Canada, issue of July 1945 (p. 56), and for that of Australia, issue of August 1945 (p. 257). No White Paper has been received from New Zealand; on October 24, 1945, however, an employment act was passed, providing for establishment of an employment service to promote and maintain full employment.

⁹ For a summary of above-mentioned documents see *Monthly Labor Review*, issue of September 1944 (p. 530).

ing down production costs; the Canadian White Paper did not propose large expenditures for public works, but rather to manage public capital expenditure in such a way as to contribute to the improvement and stabilization of employment and income. The Swedish Postwar Economic Planning Commission unanimously agreed that large public works should be resorted to, if private investment and export trade fall below the level necessary to full employment. Such public works should be planned in connection with long-range policy and should be extended to the production of consumption goods. Switzerland's plans, which have been in operation partially, cover a coordinated and partially subsidized program of foreign trade, public works, and a revival of the tourist trade and of agriculture.

Official as well as other opinion in these countries is that the employment problem is international as well as national and that foreign trade is essential. Although the British White Paper dealt with national problems, it was recognized that the level of employment and the consumption level depend upon international conditions, as imports and exports are basic to the nation's economy. Participation in world trade by Australia was expected to follow the maintenance of full employment at home, which would allow the resultant high level of expenditure to become effective in the country's demand for imports to the limit of available overseas funds. Export trade was named in the Canadian White Paper as the greatest dynamic force in influencing the level of employment and income, and expansion over the prewar level was urged. The Swedish Social Democratic-Labor program proposed that foreign trade should be brought under "Government leadership." On June 20, 1944, the Swiss Federal Assembly adopted an interim report of the Federal Council which pointed out that an effective attack on unemployment could be made only through international cooperation; a commission was appointed to study the possibilities of foreign trade.

Emigration and immigration policy for future years has come up for discussion also. In spite of the prospect of a dwindling population (and existing labor shortages) the British Government favors the encouragement of assisted emigration to the Dominions in the future, i. e., after the Dominions have resettled their ex-servicemen and converted their economies to peacetime conditions. The Australian Government foresees a need for immigration on a selective basis of roughly 70,000 persons annually, to supplement a natural population increase of 70,000 in achieving an annual population growth of 2 percent. The general flow would commence after homes and jobs became available, but immigrants with particular qualifications that are not available in Australia would be desired sooner. New Zealand has taken a similar view as to the timing of entry. In the Soviet Union the urgent need for using labor from other countries is expected to be temporary and for reconstruction only. On June 14, 1945, it was stated that Canada was not yet ready to consider what steps would be taken to facilitate the admittance of persons from other countries. In the Scandinavian countries, to provide for the movement of laborers to the places where their services were most needed, the Ministers of Social Affairs of Denmark, Finland, Iceland, Norway, and Sweden proposed the establishment of a common Nordic labor market, at a conference held in September 1945, and agreed to place a draft of the

convention before their respective Governments. According to the press, Switzerland's Federal Council has considered the need for immigration of persons having certain skills, notably in textile manufacture.

The interest of the Governments of Australia and New Zealand in adding to their populations from outside sources is the result of an expectation that in coming years the position will be one of labor scarcity and not abundance. In carrying out Australia's plans for a comprehensive program of construction, including hospitals, post offices, and railroad building, the Government anticipates the problem will be to obtain enough labor. From 1936 onward, New Zealand experienced labor shortages in several industries, notably of skilled workers in the building and engineering and certain manufacturing industries, as well as of professional and technical workers of different kinds. War accentuated the shortages and they are not likely to alter. An uncertain factor in determining future labor requirements is the possible extent to which women may work in industry. Their participation was on the increase in New Zealand before World War II.

Part 2.—Liberated and Enemy Countries¹

In the fall and early winter of 1945, the workers of the liberated and enemy countries in Europe and Asia were for the most part occupied in clearing away debris, rebuilding destroyed and damaged housing and essential public works (power plants, water works, sewer systems, transportation facilities), mining coal, cutting trees for fuel, and distributing such food as it had been possible for them to produce and import. Many people were employed in special reconstruction services, rehabilitating displaced persons and prisoners of war, training the large numbers of workers who must acquire the experience they did not get during the war years, and other special jobs which are the necessary aftermath of war.

Industrial activities were limited by lack of coal, equipment, materials, and certain types of skilled workers. Statistics on plant operation show that with some exceptions industrial plants were being operated far below capacity. Current reports indicate that varying proportions of the workers in these countries are not seeking work either because their health and morale have been seriously undermined by their war experiences or because they still have money, paid to them for war work, and know that it cannot buy them the goods they want. Many of the workers who were trained in sabotage during the German occupation find it particularly difficult to develop regular work habits and to approach prewar efficiency. In none of these countries has the labor force recovered from the effects of mobilization, displacement of population, or forced labor away from home.

The latest figures on unemployment show that in the autumn of 1945 in the liberated countries of western Europe (Belgium, France, Denmark, Netherlands, and Norway) the number of registered unemployed was very much smaller than in the 1930 depression period. In all these countries, some unemployment existed side by side with shortages of particular kinds of labor. In the U. S. Zone in Germany, in December, 22 percent of the labor force registered as unemployed and it was thought that the actual proportion was somewhat higher. In Italy and Japan, the number of unemployed estimated in the fall of 1945 was very large—2 million in Italy, 4 million in Japan.

The need to provide emergency employment and work incentives and to obtain labor for work of primary importance has led to direct control of the employment situation by a number of these governments. Some have issued decrees forbidding workers to leave their jobs without official authorization from an employment office; a provisional edict in Norway prohibited the closing of plants without an authorization. In some countries, the employers were required to obtain official permission to lay off workers. In most of these countries, the government is planning to take a more active part in the direction of industrial production and in provision of employment than in the period before the war. In some of them, the nationalization of basic

¹ The materials for this report were taken from official and other publications of the countries covered, and from reports of Military Government in Germany and of members of the U. S. Foreign Service.

industries is under way. In others, policy for the government's part in planning for either production or employment has not been formulated.

Liberated and Enemy Europe

PREWAR TREND OF EMPLOYMENT

The measures of employment and unemployment available differ from country to country. None of them include all of those persons either out of work or having jobs, since they all relate to special groups.² The series available are useful in showing general trends and indicate that between 1935 and 1939 employment levels improved and unemployment tended to decline in the European countries.

Among these countries, those which were first to experience severe depression showed greater industrial activity by 1939 than those in which the trough was reached as late as 1935. Recorded employment in Denmark, Finland, Germany, Italy, Norway, and Poland reached the depression low before 1933 and exceeded 1929 levels by 1939.³ The maximum unemployment had apparently been passed in 1934 or sooner in Austria, Belgium, Czechoslovakia, Denmark, Finland, Germany, and Norway. In France, where the trough of the depression, as reflected in the available statistics, occurred as late as 1935, the employment index in 1939 was much lower than in 1929. In the Netherlands, the index of employment had almost reached the 1929 level by 1939 but the proportion of insured who were unemployed was still large.

TABLE 1.—*Employment Levels in Specified European Countries, 1929 to 1939*¹

Country	Index of employment (1929=100) ²				
	Low year		1935	1939	Percent of increase, 1935-39
	Year	Index			
Denmark.....	1932	* 91.7	* 125.8	* 151.1	20.1
Finland.....	1932	76.6	105.4	122.6	16.3
France.....	1935	73.5	* 73.5	58.4	13.5
Germany.....	1932	71.1	* 90.6	* 116.5	28.3
Italy.....	1932	78.5	94.0	* 113.3	20.5
Netherlands.....	1935	84.2	* 84.2	* 99.0	17.6
Norway.....	1931	79.9	106.2	125.9	18.5
Poland.....	1932	62.3	77.1	* 102.0	32.3

¹ Source: International Labor Office, Yearbook of Labor Statistics, 1943-44, Montreal, 1945 (pp. 30-35).

² Indexes cover industry only, unless otherwise specified.

³ 1931=100.

⁴ Index covers mining, industry, commerce (and in some countries, agriculture).

⁵ January to July 1939. Index covers mining, industry, commerce (and in some countries, agriculture).

⁶ January to June 1939.

Austria and Czechoslovakia had not regained the 1929 level of employment prior to their absorption into the German Reich in 1938 and early 1939, respectively, although unemployment had been substantially reduced, particularly in Czechoslovakia, before the German occupation.

⁷ They apply to insured unemployed trade-union members, or persons employed in establishments of given size or in the production of certain kinds of goods and services, for example.

⁸ While the Danish employment index takes 1931 as a base year, it is probable that the 1939 level of 151.1 is equal to, if not higher than, the 1929 level.

In Poland, striking gains in industrial employment between 1935 and 1939 did not absorb the labor surplus. The increase in industrial activity continued to bring applicants to the employment offices. Meanwhile Polish seasonal immigration to Germany had greatly decreased.

Preparations for war played an important part in the employment gains which occurred between 1935 and 1939 in Germany, Italy, and Finland, and after the annexations, in Austria and the Sudetenland. Other factors were the increase in the Nazi and Fascist Party officialdom and the administrative bureaucracy. The practice of counting persons on public relief projects as regularly employed also contributed to the nominal decline in unemployment.

TABLE 2.—Recorded Unemployment in Specified European Countries, 1929 to 1939¹

Country and type of worker	Maximum unemployment in the 1930's		1935	1939	Percent of change, 1935-39
	Year	Number			
Austria:					
Registered unemployed.....	1933	405,740	348,675	* 244,788	-29.8
Insured receiving benefit.....	1933	328,844	261,768	* 174,148	-33.5
Belgium—Insured wholly unemployed:					
Number.....	1934	182,855	165,469	* 156,686	-5.3
Percent of insured.....	{ 1932 & 1934 }	19.0	17.9	* 15.5	-13.4
Czechoslovakia:					
Trade-unionists unemployed, on benefit:					
Number.....	1933	247,613	235,623	* 161,391	-31.5
Percent of covered trade-unionists.....	1934	17.4	15.9	* 9.1	-42.8
Applications for work.....	1933	738,267	686,269	* 335,518	-51.1
Denmark—Unemployed trade-unionists:					
Number.....	1932	99,508	76,195	88,924	+16.7
Percent of insured trade-unionists.....	1932	31.7	19.7	18.4	-6.6
Finland—Registered unemployed.....	1932	17,351	7,163	3,300	-83.9
France—Unemployed on relief.....	1936	431,897	426,931	361,930	-15.2
Germany—Registered unemployed.....	1932	5,575,402	2,151,039	118,915	-94.5
Netherlands:					
Insured unemployed:					
Number.....	1935	173,700	173,700	112,612	-35.2
Percent of total insured.....	1935	36.3	36.3	21.7	-40.2
Registered, wholly unemployed.....	1936	414,512	384,691	253,261	-34.2
Norway:					
Registered unemployed.....	1934	36,876	36,776	28,251	-23.2
Unemployed trade-unionists:					
Number.....	1938	19,230	14,783	16,789	+13.6
Percent of insured trade-unionists.....	1933	33.4	25.3	18.3	-27.7
Poland—Applications for work:					
Number.....	1939	414,584	381,935	* 414,584	+8.5
Percent of total social-insurance coverage.....	1935	16.7	16.7	14.7	-12.0

¹ Source: International Labor Office, Yearbook of Labor Statistics, 1943-44, 1945 (p. 56); and Monthly Labor Review, Washington, February 1939 (p. 1263).

* 1938.

² Computed from monthly Belgian figures.

⁴ January-August 1938.

⁵ January-June 1939.

INTRODUCTION OF LABOR CONTROLS

Enemy Countries and Satellites

Germany inaugurated labor-market controls in 1934. In 1935 work books were introduced and shortly thereafter measures were adopted for the conservation, training, and allocation of persons having scarce skills needed for carrying out the Four-Year Plan, begun at the end of 1936. Governmental organization was tightened in December 1938 when a Commissioner General for the German Economy was named, with supervision over the Ministries of Finance, Economics, Food and Agriculture, and Labor. In May 1939, the independent

office which managed Germany's network of public employment exchanges was absorbed into the Ministry of Labor.

Short-term compulsory labor was introduced in the summer of 1938 on the work of fortifying the western border; it was extended by decree of February 13, 1939, which laid the groundwork for wartime mobilization of the actual and potential labor force of the Greater Reich. Any resident of the Reich might be drafted for indefinite service on jobs designated as urgent by the Commissioner of the Four-Year Plan.

With the outbreak of war on September 1, 1939, employment offices in Germany were granted full authority to direct workers and new entrants into the labor market to specified jobs, to review and approve or disapprove hirings, dismissals, and transfers, to curtail employment deemed nonessential, and to "comb out" workers whom the employment office had decided to place elsewhere.

In Italy, an improvement in employment in the first years of World War II led to the relaxation in July 1940 of protective labor devices, such as the 40-hour week and restrictions on female employment, and the suspension in May 1941 of a public-works program. A system for the mobilization of civilian labor for work in agriculture was established in April 1941, under authorization of the act of May 24, 1940, which set standards for the work of civilians in wartime. Under the same authorization, civilian labor service was instituted for males 18 to 55 years of age by decree of February 26, 1942.

Finnish legislation of 1939 broadened that of 1930 by providing for requisitioning of citizens, aged 18 to 60 years, for national defense. A May 1942 law, superseding these provisions, made labor service compulsory in essential civilian industries. With certain exceptions, all Finnish citizens and aliens aged 18 to 55 years were liable unless reciprocal agreements provided for other arrangements. Compulsory labor in agriculture and forestry continued in Finland until October 31, 1944, and in some branches of forestry until November 30, 1944. Labor orders on defense work were canceled after September 30, 1944.

Germany's satellite countries—Hungary, Rumania, and Bulgaria—had compulsory labor legislation in force during the war. Hungary, in 1939, made every able-bodied person, between 14 and 70 years of age, subject to assignment to industrial or other useful work. Rumania, in 1941, decreed that useful work was the duty of every Rumanian and ordered all persons to carry work cards. Bulgaria, in 1940, ordered all civilians between 16 and 70 years of age to register for either agricultural or nonagricultural work and to be ready for allocation.

Invaded Countries

Following annexation of Austria (in March 1938) and the Sudetenland of Czechoslovakia (in October 1938), the German manpower controls were applied therein by successive laws and decrees, and employment offices in those regions were incorporated into the German system. Similar controls were introduced gradually under the Germans in other parts of Czechoslovakia, beginning with compulsory labor service for youths 16 to 25 years of age in the Protectorate of Bohemia-Moravia, in July 1939. In Poland, German employment offices were opened in the wake of the conquering armies, and German controls were promptly introduced. Compulsory labor service both

in Poland and in Germany was instituted, under particularly onerous conditions for the Polish and Jewish population and, beginning in the summer of 1940, mass round-ups in the Polish cities supplemented the more orderly forms of recruiting by employment offices. Yugoslavia and Greece suffered defeat early in the war, and economic conditions in those countries became so chaotic that German attempts at manpower controls were far from effective.

As tension in Europe grew in the late 1930's, other countries adopted legislation giving their governments certain authority over manpower in the event of need. The Belgian mobilization law permitting emergency labor controls was passed on June 16, 1937. France gave similar authorization, including that for requisitioning the services of labor, in July and November 1938. Like action was taken in the Netherlands in December 1939 for those parts of the country in which a state of war was proclaimed.

The immediate effect of the German occupation of Denmark in April 1940, and of the Netherlands, Belgium, and Northern France in May, was an increase in unemployment in those countries. The early controls introduced were for the purpose of reducing unemployment. Denmark provided for sharing of work by law of May 28, 1940. In the Netherlands, an order of June 13, 1940, prohibited the dismissal of workers, work stoppages, and the reduction of hours to less than 36 per week.

In Norway, controls imposed in October 1940 (6 months after the invasion) prohibited the transfer of workers from agriculture, forestry, and shipping to other industry and restricted worker placement to the employment offices. Termination of employment in 19 groups of trades and industries was made dependent on labor-office approval in March 1941. Under the direction of the German authorities, centralization of employment-office services was imposed in France in October 1940 and in the Netherlands in September 1940, and existing centralization in Belgium was tightened in April 1941. In September 1941, Belgian coal miners were "frozen" in their jobs.

Compulsory labor service was first required of youths by the imposition of controls in Norway, the Netherlands, and France in the spring of 1941. In the Netherlands, compulsory labor service for adults was also required beginning in March 1941. Requisitioning of labor in Norway began in 1941 for temporary work in forestry and agriculture and also temporarily for work of national importance, but the general system was not introduced until 1942. France introduced requisitioning of labor for agriculture in December 1941.

PERIOD OF EXTENDED GERMAN MANPOWER CONTROL, 1942-44

In March 1942, the Nazi Party took complete control over the German labor market, and the full force of the Party machine was used to mobilize the labor force of Europe for the German war effort.

Reorganization of Labor-Market Controls

A Nazi Party official, Fritz Sauckel, became General Commissioner for Manpower, with the power to draft and allocate labor in all parts of the Greater Reich and the occupied countries. The employment-service system was reorganized to make its administrative subdivisions

correspond geographically with those covered by the Nazi Party districts (Gau), and the offices of regional director of the employment service and regional labor trustee were merged and subordinated to the regional chief of the Party (Gauleiter). Those branches of the Reich Ministry of Labor which had supervised labor supply, wages, and working conditions were transferred to the jurisdiction of the General Commissioner for Manpower.

At the same time that the administration was reorganized, industry was examined to determine which workers could be spared for jobs of higher priority. Decisions regarding priorities both in war and civilian industries (in the Reich and elsewhere) were made by the Commissioner General for Manpower in consultation with the Ministers of Munitions, Economics, Food and Agriculture, and the Army High Command. Requisitions for stated numbers of workers of specified skills which were to be supplied within given periods were transmitted by the commissioner to the district employment offices and apportioned to local offices according to labor-market conditions. The sources of labor supply for filling such requirements consisted of foreign workers and German workers whom employers were compelled to give up or who were obtained from among retired persons and women and young persons not previously employed.

In the occupied territories, the German Commissioner for Manpower established the following work priorities in September 1942: (1) The German armed forces; (2) the German occupying authorities; (3) the German civilian authorities; (4) German armament contracts; (5) agriculture and food industry; (6) other industrial work for Germany; and (7) industrial work for the respective occupied countries.

Utilization of Foreign Labor

German labor requirements were increasingly met by drawing on foreign labor, including prisoners of war. Workers were brought from "friendly, allied, or neutral countries" through contracts entered into with their Governments. Italy, Bulgaria, Croatia, the Netherlands, Spain, Slovakia, and Hungary undertook to supply agricultural workers. In eastern Europe—Poland and occupied parts of the Soviet Union—labor was conscripted by the Germans for work both at home and in Germany, at times by means of mass levies, round-ups, and deportations. German employment offices were established under the German military and civil authorities. In western Europe, recruitment methods were at first somewhat more indirect. Unemployment was created through closing plants regarded as nonessential, lengthening hours, and denial of unemployment compensation and sometimes ration cards to those made jobless, if they refused to accept directed employment. Increased rations were offered as an inducement to accept German employment.

In the Netherlands, Belgium, Northern France, Vichy France, and Norway, orders concerning labor were issued by the German military commanders to the various national labor department officials, and the local employment offices were utilized to the extent that cooperation could be obtained. Side by side with the local offices, however, the Germans operated their own recruiting agencies; in Belgium the local offices were required to refer applicants to the German offices. Mixed committees of Vichy French and German officials in France

supervised the recruiting of French labor for Germany to fill quotas set by the Germans. When this system failed to produce the desired results, teams of workers and supervisors were designated, by the German labor allocation officials, to be transferred to Germany, sometimes along with their machines and equipment. To release manpower, orders were issued to close industries not essential to the war effort in Belgium in March 1942 and in Norway in December 1942. The Netherlands Government was empowered by the Nazis to take such action in 1940, but did not do so until March 15, 1943. A concentration of French industry was attempted in 1942, and authorization to close commercial enterprises was given in May 1943.

Final Stages of Mobilization

The losses of the prolonged Russian campaign forced an intensification of manpower-control measures both in Germany and in the countries under her domination, during the winter of 1942-43. Measures providing for compulsory labor service by the able-bodied male and female adult population were effected in Vichy France, Belgium, Norway, and Germany, and were extended in the Netherlands, between late summer of 1942 and early spring of 1943. These measures were applied with increasing vigor, being translated into the calling up of young men by age classes for examination and assignment, both within the native country and to fill the quotas for foreign labor established by the German Commissioner General of Manpower. At the same time, the mobility of labor and the employer's freedom to dismiss workers were curtailed in France by acts of September 19, 1942, and March 27, 1943. In Norway, dismissals were further curtailed during the period of registration, to prevent evasion. As an aid to enforcement, work books were required in specified occupations in Norway by act of November 27, 1942, and in France after June 7, 1943, for all those liable for labor service. The concentration of enterprises in France in industry, and later in commerce yielded additional labor both to fill the German quotas directly and to replace workers who had been drafted from industry.

Like the occupied countries, Italy was subjected to pressure from Germany during this period. To make Italian labor available for removal to Germany, the metal industries were authorized to reduce the number of workers and to extend hours of work; the number of women employed at Turin, and no doubt also in other manufacturing centers, increased. At the time of Mussolini's fall, in July 1943, Italians working in less essential occupations in Germany were being exchanged for skilled Italian labor from the northern factories. In the spring of 1944, a general strike affecting some 4 million workers in the Neo-Fascist Republic, and the Allies' advance up the peninsula, caused the Germans to abandon Italy as a source of war materials and instead to intensify efforts to transport labor and industrial equipment to Germany. Up to July 1944, a cumulative total of 1.2 million Italian workers had gone to Germany.

Opposition to German Controls

Opposition to the German measures for the control of labor in invaded countries took various forms. Absenteeism and slow-downs were resorted to; in the Netherlands this situation became so acute that in September 1943 heavy fines were fixed for such conduct.

Rather than perform compulsory labor for Germany, workers resisted registration, shunned employment offices, joined the underground, and fled abroad. In France and Belgium, large numbers of young men went into hiding, joined the resistance movement, or escaped to neutral countries in order to evade the labor draft for Germany. In Denmark, the work sharing provided by law of May 1940 was used to conceal an average of 50,000 unemployed workers, to prevent recruitment for German projects. In Norway, when stocks of raw materials dwindled in 1942, workers were retained in industry on short time and at reduced wages, to avoid working for the Germans; attempted conscription of workers resulted in a large exodus to Sweden.

WARTIME DISPOSITION OF LABOR FORCE

Germany and Occupied Europe

Germany's wartime labor and economic controls were intended to mobilize the resources of practically the entire European continent for the German war effort. The workers of occupied and annexed territories were employed on tasks for the German military or civilian economy, either in their own countries or on German farms and in factories. Disruption of the labor force necessarily followed in all of these countries. The wide extent of German military operations and occupation of foreign territory also necessitated the transfer of German labor and supervisory personnel to perform many administrative, police, and industrial tasks outside German boundaries. For example, the Todt organization charged with constructing highways and fortifications in occupied countries was staffed by Germans and employed many skilled German workers, in addition to labor locally recruited or drafted.

In 1939, a high proportion of the German population (51 percent) was already classed as gainfully employed in the Greater Reich (including the Saar, Austria, and Sudetenland). Half of the gainfully occupied population consisted of wage earners; almost 20 percent were salaried employees; 16 percent were family workers; and 14 percent were employers and independent workers.

During World War II, Germany increased her armed forces from 1.37 million at the beginning of 1939 to 9.1 million 5 years later. Losses in killed and wounded exceeded 4.0 million. This meant a cumulative draft (according to German sources) of about 12 million. These withdrawals from the civilian labor force were compensated only in part by drawing in women, older persons, and young people of school age. Women wage and salary workers in the old Reich increased from 5.7 million in 1937 to 7.1 million in 1940 (a gain of 24.5 percent) and the number employed in the Greater Reich rose from 8.3 million in 1940 to 9.5 million in 1942 (a 14.2-percent gain). As is shown in table 3, the number of foreign workers employed in Germany increased from an insignificant number in 1939 to more than 7 million in 1944, at which time the foreign workers constituted nearly 20 percent of the labor force of the Greater Reich (including the Saar, Sudetenland, Austria, but not including eastern annexations). The proportion of foreign workers was highest in industry, 29.3 percent, followed by 22.2 percent in agriculture.

Assuming that the figures given in the table for the armed forces do not to any substantial extent include duplication of those employed in civilian capacities, it appears that, in 1944, 23.9 percent of the native labor force, military plus civilian,⁴ and 20.2 percent of the combined native plus foreign labor force was under arms.⁵

TABLE 3.—*Distribution of Manpower in Germany (Boundaries as of September 1, 1939), by Origin and Occupation, 1939, 1942, and 1944*¹

Gainfully occupied	1939		1942					Percent foreign
	Total		Total		Number (in thousands)			
	Number (in thousands)	Percent	Number (in thousands)	Percent	Native	Foreign ²		
All industries.....	39,416	100.0	35,294	100.0	31,157	4,137	11.7	
Agriculture.....	11,225	28.5	11,230	31.8	9,252	1,978	17.6	
Industry and transport.....	18,638	47.3	15,714	44.6	13,836	1,878	12.0	
Industry.....	10,946	27.8	9,771	27.7	8,370	1,401	14.3	
Handicrafts.....	5,336	13.5	3,503	9.9	3,207	296	8.4	
Transport.....	2,125	5.4	2,235	6.4	2,064	171	7.7	
Power.....	231	.6	205	.6	195	10	4.9	
Distribution.....	4,603	11.7	3,219	9.1	3,124	95	3.0	
Administration and services.....	2,677	6.8	2,421	6.9	2,373	48	2.0	
Armed services administration.....	691	1.7	1,244	3.5	1,184	60	4.8	
Domestic.....	1,582	4.0	1,466	4.1	1,388	78	5.3	
Armed forces (January 1).....	1,366		8,635					

Gainfully occupied	1944					Percent foreign
	Total		Number (in thousands)			
	Number (in thousands)	Percent	Native	Foreign ²		
All industries.....	36,112	100.0	28,984	7,128	19.8	
Agriculture.....	11,186	31.0	8,708	2,478	22.2	
Industry and transport.....	16,621	46.0	12,489	4,132	24.9	
Industry.....	10,802	29.9	7,640	3,162	29.3	
Handicrafts.....	3,282	9.1	2,745	537	16.4	
Transport.....	2,334	6.5	1,927	407	17.4	
Power.....	203	.5	177	26	12.8	
Distribution.....	2,867	8.0	2,679	188	6.6	
Administration and services.....	2,322	6.4	2,228	94	4.0	
Armed services administration.....	1,457	4.0	1,294	163	11.2	
Domestic.....	1,379	3.8	1,307	72	5.2	
Homework.....	280	.8	279	1	.4	
Armed forces (January 1).....	9,125					

¹ German official statistics compiled by U. S. Strategic Bombing Survey. Territory includes prewar Reich, Austria, Sudetenland and Saar, but not the Eastern annexations.

² Includes prisoners of war and Jews.

Estimates of the distribution of foreign workers in Germany are shown in table 4, by nationality groups, for 1942 and 1944. The data include prisoner-of-war labor, the largest groups of which were from the U.S.S.R., Poland, and France.

In addition to the drain on labor in western Europe caused by the withdrawal of workers for employment in Germany, reductions in the

⁴ I. e., 9,900,000 of 38,884,000 (native labor force 28,984,000, plus armed forces 9,900,000).

⁵ I. e., 9,900,000 of 46,012,000 (native labor force 28,984,000, plus foreign labor force 7,128,000, plus 9,900,000).

TABLE 4.—Estimated Number of Foreign Workers Employed in "Greater Germany" in October 1942 and January 1944¹

Type of worker	Estimated number (in thousands)		Type of worker	Estimated number (in thousands)	
	October 1942	January 1944		October 1942	January 1944
All countries.....	5,209	8,671	France.....	1,028	1,970
Civilian workers.....	3,579	6,450	Civilian workers.....	93	1,100
Employed prisoners of war.....	1,629	2,221	Employed prisoners of war ²	935	870
Poland.....	1,156	1,456	U.S.S.R. ³	1,648	3,000
Civilian workers.....	1,122	1,400	Civilian workers.....	1,193	2,000
Employed prisoners of war ²	34	56	Employed prisoners of war.....	1,455	1,000
Netherlands: Civilian workers.....	139	350	Italy.....	205	180
Belgium.....	178	530	Civilian workers.....	205	180
Civilian workers.....	123	500	Employed prisoners of war.....	709	170
Employed prisoners of war.....	556	30	Other countries.....	709	1,015
			Civilian workers.....	704	920
			Employed prisoners of war.....	149	95

¹ Source: 1942, Germany, General Commissioner of Manpower, Arbeitseinsatz, November 20, 1942; 1944, International Labor Office, The Exploitation of Foreign Labor by Germany, Montreal, 1945, Appendix IV.

² Some prisoners of war were released for work in Germany as civilians and are included under civilian workers.

³ Includes certain groups of persons who were living in Poland before 1939.

work force occurred owing to the number of persons taken prisoner and because many persons avoided any employment that might benefit Germany. This cumulative reduction in the labor force was offset in part by entrants into paid employment and by persons sent out from Germany to work in conquered countries. Statistics on the wartime labor force are lacking for most of the countries covered; however, a few statistics showing employment trends are available for Denmark, Norway, and Finland.

Denmark.—In Denmark, farm employment decreased during the German occupation by 30,000 (10 percent) from the prewar total, but no material changes occurred in the number of fishermen. Employment in local transportation increased as a result of the requirements of the German army. The total reported manufacturing employment rose between 1939 and 1945, although the index of production dropped, as shown in table 5. This may have resulted from less efficient work, the greater time consumed in producing wartime substitute goods, and the sharing of work already mentioned.

TABLE 5.—Index of Production and Number of Workers Employed in Denmark in 1939 and 1943, by Industry

Industry	Index of production (1935=100)		Number of workers employed	
	1939	1943	1939	1943
All industries.....	117	96	188,434	196,975
Food and beverage industry.....	111	95	33,247	33,863
Textile industry.....	117	62	18,349	17,232
Confectionery industry.....	117	74	24,871	23,068
Leather and shoe industry.....	113	116	6,986	8,811
Wood manufacturing.....	109	138	9,161	12,872
Stone, clay, sand, cement, and ceramic industry.....	99	96	12,179	13,765
Iron and metal industry ¹	134	105	57,681	59,487
Chemicals.....	111	92	25,980	27,877

¹ This group includes shipyards, machine manufacturing, electrotechnical plants, motor, radio, and telephone manufacturing, and other factories using iron and metals as the most important raw materials.

Norway.—Although unemployment rose in Norway during the winter of 1940–41, only a few hundred workers utilized the agreement of December 1940 authorizing them to take work in Germany. (The number of Norwegian workers in Germany in January 1944 was estimated at less than 2,000.) Unemployment reached its maximum in Norway in the spring of 1941 but by the autumn of that year shortages of labor were noted in forestry and other essential work because of the large number of workers engaged in construction for the German occupation forces and in the production of goods substituted for imports. Employment in manufacturing remained fairly constant in Norway throughout the war; decreases in commercial employment were offset by an increase in land transport. Employment in agriculture and fishing dropped by about 30,000 workers. The annual increase in the labor force during 1939–45 averaged about two-fifths that in 1935–39.

Finland.—In Finland the wartime disposition of labor in various industrial branches was as follows:

	<i>Workers at be- ginning of war</i>	<i>Workers at end of war</i>
Mining and ore dressing.....	600	2,600
Foundries.....	1,900	3,700
Engineering.....	41,000	53,000
Stove, clay, glassware, and peat.....	13,500	9,900
Chemicals.....	2,900	5,800
Leather, rubber, etc.....	11,800	9,200
Textiles and clothing.....	35,000	26,500
Paper, pulp, and timber.....	44,000	33,000
Food, drinks, tobacco, etc.....	13,900	14,700
Lighting and power transmission.....	3,100	3,400
Printing.....	6,300	6,000

THE SITUATION IN 1945

The end of war found the belligerent countries in varying stages of economic collapse; every country was faced with an abnormal and dislocated labor force which was heavily taxed by the burden of reconstruction and the resumption of its customary peacetime employment. Unemployment existed side by side with shortages of particular kinds of labor; efficiency and productivity of labor had been reduced by malnutrition, demoralization, the failure of money incentives, and lack of equipment. The German system of employment controls was abandoned in some countries upon liberation, but in others some of its features were retained and adapted to existing needs.

Western Countries

Belgium.—On the return of the Belgian Government at the time of liberation in September 1944, Belgium faced a problem of reconstruction not only for civilian production but also for supplying the Allied forces which were operating through Belgium to the east. Employment provided by the Allied military authorities, partially through the reconstituted Belgian employment-office system, rose to more than 140,000 by June 1945. Meanwhile, the Belgian Army was reorganized and more than 250,000 Belgian prisoners and deportees, of whom possibly 140,000 were industrial workers, were being repatriated. By November, 72,000 of the latter had reentered regular employment. The Government prepared for possible unemployment by establishing a broadened unemployment-compensation system and

a retraining program. The reported number of wholly and partially unemployed who were registered declined during 1945, as is indicated in the tabulation below.

	<i>Number</i>		<i>Number</i>
January-----	379, 266	July-----	185, 092
February-----	325, 191	August-----	175, 036
March-----	221, 992	September-----	171, 720
April-----	191, 546	October-----	142, 776
May-----	183, 644	November-----	136, 517
June-----	174, 233		

In the summer and autumn of 1944, the Belgian Government ordered the liquidation of various economic control organizations established under the German rule and the de-nazification of the National Placement and Unemployment Office. Although plans to mobilize essential industries and freeze all civilian workers to their jobs were authorized in April 1945, they had not been carried out by September. At that time, power plants were running at 80 percent of normal; coal mines, inland waterways, and textile mills at almost 60 percent; and railways and heavy industry at 30 to 40 percent. This was a considerable improvement over January 1945.

France.—The resumption of civilian employment in France involved the repair of vast material damages and the readjustment of a labor force which had been dislocated by forced migration, unemployment, and loss of skills. To deal with essential phases of national reconstruction, government ministries were created for reconstruction, industrial production, national economy, agriculture and food supply, and population. Most of the displaced workers had been repatriated by early autumn 1945, but few could be expected to work efficiently for some time. Training courses for the building and other industries with acute shortages were instituted. By November 1944, some 50,000 prisoners of war had been put to work. By September 1945, more than 570,000 prisoners were distributed as follows: Some 150,000 in agriculture; 50,000 each in stone breaking and clearance work; 30,000 in mining; and the remainder in the transport, the chemical, and iron and metal industries. In coal mining, employment increased from 35,000 in the first quarter of 1945 to 177,000 in the third quarter.

Some improvement in employment conditions in France during 1945 is reflected in recorded unemployment under the unemployment funds and special wage-compensation legislation of January 8 and May 20, 1944. This special legislation provided compensation based on wages lost by workers who were partially or wholly unemployed because of war destruction in late 1943 and early 1944. As possibilities of employment were developed early in 1945, the wage-loss benefits were withdrawn from workers in various regions and various industries.

	<i>Number of unemployed receiving benefits from—</i>	
	<i>Unemployment funds</i>	<i>Wage-loss legislation</i>
1944:		
October-----	-----	564, 900
November-----	19, 400	495, 650
December-----	24, 000	444, 400
1945:		
January-----	30, 000	¹ 388, 000
February-----	26, 000	¹ 379, 700
March-----	10, 865	¹ 259, 350
April-----	16, 304	¹ 156, 750
May-----	13, 668	¹ 15, 390
June-----	11, 679	² 14, 020
August-----	¹ 8, 281	-----

¹ End of month.

² 15th of month.

By December 1945, French coal mines were operating at 95 percent of prewar capacity, but the coal shortage was still serious because of the low level of imports. The general index of industrial production was placed by a report of the Ministry of Information at 13 percent of prewar in September 1944, at 35 percent in January 1945, 42 percent in May, and 45 percent in June 1945. Shortages of raw materials and deterioration in industrial plant during the war, as well as coal shortages, have continued to retard production.

Certain controls over industry and employment instituted by the Vichy Government were removed after liberation, among them the Labor Charter Law of October 1941, with its compulsory syndicalism, and part of the legislation of August 16, 1941, on industrial production (by ordinances of the Provisional Government of July 27 and September 26, 1944). Because manpower needs for reconstruction were great, the act of 1938 for control of labor in wartime was not repealed. An ordinance of July 3, 1944, retained the general structure of labor inspection and manpower services developed since 1940 and established regional and departmental labor offices, with directors of manpower to coordinate the work of the offices. Under this and a later ordinance (May 24, 1945), all workers and employers were required to notify their local offices regarding employment needs and positions available, respectively. In November 1944, measures were approved to permit governmental use of workers unemployed because of immobilization of industry by the war (then numbering some 600,000) in the repair of communications, clearing away debris, etc., and an order of February 2 provided for the transfer of unemployed male workers. In an ordinance of May 1, 1945, the Provisional Government required former employers to reengage returned prisoners, demobilized soldiers, political prisoners, deportees, and members of the resistance movement, and other specified workers, and guaranteed wages during 6 months either from the employer or the State.

Netherlands.—The Netherlands Government issued decrees in August and September 1944 before its return from exile, providing for the abolition of the Nazi-inspired labor service and labor front. Provision was also made for public projects to furnish employment, for wage subsidy in projects tending to increase employment, and for a broadened unemployment-benefit system.⁶ A coordinating committee in the liberated areas of the Netherlands prevented widespread unemployment by forbidding the dismissal of workers; by “freezing” workers to their jobs; and by placing workers on part-time employment.

When it appeared that a shortage of labor in several industries resulted in part from a lack of incentives, registration was instituted in the autumn of 1945, and unemployment benefits were to be withdrawn if the worker or any member of his household was not registered and willing to accept suitable work. Withdrawal of the currency in circulation and the blocking of bank accounts in September 1945 resulted in the registration for employment of approximately 15,000 black-market operators. Total unemployment dropped from 112,622 (excluding the “black marketeers”) on June 30, 1945, to 80,000 (including them) in September, but on September 30, 98,000 were employed part time, receiving “waiting pay.” Former Dutch Nazis interned in prison camps were employed by private enterprises, and

⁶ See Monthly Labor Review, issue of June 1945 (p. 1214).

their wages were turned over to the State. By decree of October 5, 1945, termination of employment was forbidden without the consent of the director of the district labor bureau; some exceptions were allowed.

Denmark.—Employment in Denmark in early 1945 was restricted by a greater scarcity of raw materials than at any other time during the 5-year period of occupation. The number of workers sharing work increased from an average of 50,000 during 1942-44 to 101,400 in April 1945.⁷ The discontinuance of Wehrmacht construction in Denmark and the cancellation of industrial orders for delivery to Germany also adversely affected industrial employment in Denmark before the German collapse. At the time of liberation, the number of Danish workers employed on Wehrmacht fortification works had dropped to about 10,000 and the number of Danish workers employed in Germany and Norway had decreased to about 5,000. The majority of the workers affected by the war conditions were absorbed into agriculture, fuel production, and other seasonal enterprises. Stocks of raw materials which had been held for German account were released for other purposes after the liberation and helped to maintain Danish industry during the first months of the transition period. Only a limited number of requests had been made, at latest report, for assistance under the extraordinary unemployment-relief measures which became effective on April 1, 1945.

Norway.—A Labor Directorate was established in Norway, following liberation, to coordinate the use of manpower through temporary management of the employment offices and the execution of measures to forestall and remedy unemployment. A provisional edict required the authorization of the Labor Directorate, in order to quit work or close an enterprise. The Directorate first attempted to stimulate employment in agriculture, forestry, and other industries which could give immediate employment, and 25 million kroner was appropriated for clearing, repair, and road work to employ those persons who previously had done work for the Germans which did not in itself bar them from employment after liberation. About 90,000 persons were engaged directly in German work at the time of liberation in 1945. A considerable number of workers returned from hiding to their former employment. Others were not yet seeking work because they wanted protracted vacations, or because of their distrust of labor offices which had been Nazi-controlled, or their unwillingness to work for pay in a currency in which they had little faith.⁸ Others were suspended from the labor force as former Nazi collaborators. Beginning with July, the monthly employment increase rose from 1,800 to 11,600 in October.

Other Invaded Countries

Unemployment was being held at a minimum in Czechoslovakia toward the end of 1945. Compulsory labor service was introduced into that country in September and October 1945, through two decrees. The first decree affected all able-bodied men from 14 to 60 years of age and women from 15 to 50, of German and Hungarian origin who had lost their Czechoslovak citizenship, and of Slavic nationality who had

⁷ Thus, partial employment was provided for the equivalent of 15,000 full-time unemployed workers during 1942-44 and of 31,300 in April 1945. This reduced the number of unemployed recorded.

⁸ The Norwegian Government on September 3, 1945 inaugurated a monetary and financial reconstruction program which included the exchange of old bank notes for new currency.

applied for German or Hungarian citizenship during the occupation. The second decree affected Czechoslovak nationals (men from 16 to 55 and women from 18 to 45) and was declared to be a temporary measure.

Several factors accounted for the absence of unemployment in Poland in late 1945; these were the high wartime mortality, the large number of Polish nationals remaining in other countries, and the current transfer of 3.5 million Germans from Poland to Germany.

In the second week of October 1945, the Polish Government, in order to utilize the available manpower most advantageously for reconstruction, promulgated its most sweeping decree providing for the registration for compulsory labor of all Polish nationals (men 18 to 55 years of age and women 18 to 45). The decree exempted from compulsory registration at Government employment offices persons in military service, State and local officials, professional persons, the clergy, and persons working in agricultural, forest, and stock-breeding establishments.

Registered persons may be assigned by the employment offices to suitable jobs anywhere in the country for a period not exceeding 2 years. Registrants are to be offered jobs in their specialties and to be allowed to select one of several localities where they might be sent. In October 1945, the following registrants were exempt from induction for labor: Students in high schools and universities; the physically disabled; expectant mothers and mothers with at least one child under 14; owners and employees of industrial, commercial, and cooperative establishments useful to local and national economy; and teachers in private schools. Exempt also are the wives of men not subject to labor draft.

Enemy Countries and Satellites

In the months preceding the collapse, German industry was unable to utilize fully the labor force at its disposal. Following the surrender of Germany, industry, transportation, and distribution were brought almost to a standstill. Foreign laborers, who constituted 20 percent of the labor force, quit work.

Efforts by the Allied occupying forces to reestablish economic activity in Germany during the first 6 months of the occupation centered upon measures necessary for military security, for the rehabilitation of the liberated areas, and the displaced nationals of those areas. Forty-four percent of the manufacturing plants (representing 10 to 12 percent of the plant capacity in the United States Zone) were operating in December 1945. Figures are not available for the other zones.

German wartime manpower controls were continued in effect with certain important modifications; foreign workers were relieved of the compulsion to work and were repatriated as fast as possible. Discrimination because of race or national origin was ordered abolished; in some places discrimination was reversed and Nazis were required to report for the most disagreeable jobs. General registrations of the adult population were ordered in all zones, coordinated with the monthly issuance of ration cards. Compulsory labor may be ordered on any project deemed necessary either for military or civilian purposes, military needs receiving the first priority. Half a million ex-German soldiers organized in German service units have been employed in the United States Zone to perform necessary tasks connected

with building, road repair, and woodcutting. Labor controls for all zones were codified and promulgated by the Allied Control Council on January 17, 1946.

Discussions held by the four occupying powers in September 1945 stressed the need for uniform statistics on employment and unemployment and for uniform methods of registering, allocating, and controlling labor.

War and defeat left a highly abnormal German labor force, ill-adapted to the tasks on hand, as it contained a high proportion of women, old people, and white-collar workers (particularly in the cities). Consequently, critical labor shortages in essential industries existed side by side with unemployment. Prisoners of war and disarmed enemy forces having the necessary skills for building trades, coal mining, and agriculture were given priority releases by the British and American armies of occupation. To increase the output of coal, badly needed for the European economy, the rations of coal miners were increased, feeding on the job was undertaken, and recruitment for coal-mine work among displaced persons was instituted. In some places, training courses for the building trades were started.

The September unemployment rate was 20.3 percent in the American Zone—13 percent among males and 28 percent among females. In December it was 10 percent higher. The results of the registration, however, are believed to understate the situation. The employment figures are believed to be padded by employers reporting excess workers because they were hoarding workers for future employment, or to assist workers to obtain higher rations or to escape compulsory labor. All those employed on public work-relief projects were also included. Considerable numbers failed to register because of transportation difficulties and because of the low purchasing power of wages and their dependence on home-grown foods owing to the general food shortages.

In Italy, extraordinary industrial damage and inactivity and unemployment resulted from the use of the peninsula as a base of supplies and a battleground from the summer of 1943 to the German surrender in the spring of 1945. In southern Italy, a survey showed that employment in industrial establishments having more than 10 workers each dropped more than one-half between 1939 and September 1944; of those listed as employed 42.3 percent were working full time, 47.9 percent were partially employed, and 9.8 percent were totally inactive (although their names were carried on the pay rolls).

After the German collapse in northern Italy in the spring of 1945, comparatively little damage of industrial plants was found. Unemployment was estimated later in the year as totaling one million or more. A plan adopted in June 1945 in northern Italy forbade the dismissal of workers in industry and required part payment for idle time of those partially employed. The plan provided that the Government would assume part of the cost of payments for idle time. It was continued, with modifications, until October 15, 1945, when legislation was pending for further continuance through December 31, 1945.

The number of officially registered unemployed under the general Italian unemployment-compensation system exceeded 700,000 in

September 1945. Total unemployment in November was estimated at 2 million.

As the Allies advanced up the Italian peninsula in 1944 and 1945, the Allied Military Government and subsequently the Allied Control Commission handled various manpower problems, including employment and the abolition of Fascist labor organization and controls. An adequate supply of labor was furnished to the Allied Forces, and regional and Provincial labor offices were established to perform various functions, including those of employment. The Italian Government at Rome abolished the Fascist corporations and established freedom for labor to organize and seek employment.

In Finland, fear of unemployment following the armistice in September 1944 proved unfounded. The metal and engineering industries were able to utilize all available skilled labor during the reconversion, and the greater part of the half-million men demobilized from war service returned to farming. During the first quarter of 1945, 77,492 workers were employed in industry, 3,518 in construction, 37,068 in State employment, and 11,947 in municipal employment. A shortage of labor was noted in industries producing for reparations deliveries, export, and the supply of fuel and semifabricated materials. Skilled and semiskilled workers returned only slowly to their previous types of work, and the abolition of the national-service regulation left no means of directing the transfer of labor. A measure authorizing the Government to recruit idle labor for work in factories and forests and on farms was under preparation early in 1946.

POSTWAR PROBLEMS AND PLANS

Postwar planning for the employment and the full utilization of the labor force in the liberated and enemy countries is complicated by uncertainty as to the composition and size of the labor force that will be seeking work. There has not yet been time to calculate the effect of such factors as war casualties, population shifts, and changes in territorial limits, or to work out ways of attracting needed foreign labor and of shifting surplus workers to other nations.

Certain European countries anticipated a need for immigrant labor, while others had surpluses for emigration. Belgium had a plan to obtain needed skilled labor by importing foreign workers, especially in the coal industry, but it had not developed very fully up to September 1945.⁹ In France, negotiations were under way in the autumn of 1945 for the importation of Italian workers, and in November the Minister of Population described a policy which would not only encourage an increased birth rate but also permit immigration and a speedier naturalization of foreign workers. In Italy, the employment of prisoners of war has been opposed by the Government and the General Confederation of Labor because of unemployment. When Italian emigration to France was being discussed in the autumn of 1945, the C. G. I. L. agreed to it on the ground of necessity, provided, however, that the emigrants were guaranteed the same treatment as French workers and would receive social benefits as from the Italian system. Ministers of Social Affairs of Denmark, Finland, Iceland, Norway, and Sweden, at a conference held in September 1945,

⁹ At the end of July 1945, the total number of foreign workers registered in Belgian coal mines was 20,015 including German prisoners of war, some Poles, Italians, French, and Czechoslovakians.

agreed to draft a convention to establish a common labor market, for ratification by their Governments. About 2.5 million Germans were to be moved out of Czechoslovakia by August 1, 1946, and the Government was making every effort to find Czechoslovak nationals to fill in the gaps in the national economy. Poland similarly was undertaking to move out 3.5 million Germans.

Training and retraining form another paramount problem. The Belgian authorities foresaw the need for planning for the rehabilitation of workers, and a retraining program and unemployment-compensation system were implemented in legislation of December 28, 1944, and May 26, 1945. France intended to train 200,000 apprentices for work on construction in connection with the broad national building program described below. The Norwegian Government has subsidized necessary training. Training schemes were being fostered in Italy, e. g., that for the building trades in Milan. The Finnish Government has planned a training program estimated to cost 58 million marks.

Plans for public works in the liberated countries, which would aid in providing not only a guaranty against unemployment but also the material reconstruction required in postwar years, were developed during World War II. In 1945, steps were taken to perfect these plans in the light of the current situation and to put them into effect as far as shortages of raw materials, industrial equipment, and of trained workers would permit. Some of the published plans make provision for stated public works; others outline theories as to the government's part in insuring a high employment level over the long term, as outlined below.

In Belgium a decree of August 31, 1945, outlined a plan for the extension and contraction of investment in public works both national and local in scope. Specifications for public works to be undertaken immediately and others to be held in reserve (for emergency) were to be prepared by local governments and submitted annually to an interministerial committee presided over by the Minister of Public Works. Provision was made for technical advice in planning and for determining the amount of national and local subsidy by decree.

The French Government authorized a military census of men 18 to 48 years of age by decree of January 10, 1945, and these men were to be required to report upon their employment and occupational qualifications. The Government also required all enterprises to prepare lists of employees, showing the technical qualifications of each individual. A plan for reconstruction of housing and industrial buildings, including water supply, etc., was placed before the Finance Minister in the fall of 1945. It would require a labor force of 1.7 million persons by the end of 1947, of whom 1 million would be prisoners of war and other foreign workers. Of the remaining 700,000 possibly 500,000 would be French workmen and artisans and 200,000 qualified French apprentices. Total manpower needs to carry out the reconstruction plan were estimated at 13.9 billion man-hours and would require, in addition to France's prewar 500,000 construction workers, 1 million foreign workers for 10 years. The creation of a French Planning Council for Modernization and Reequipment, composed of Ministers and representatives of civil service, private

industry, and the trade-unions was announced in December 1945, to increase the productive capacity of the national economy.

A Netherlands Government statement submitted to the Lower House of Parliament late in 1945 proposed Government subsidy and extension of credit for reconstruction and the rebuilding of industry, and the reeducation of "political delinquents" into useful members of society.

The Danish Government presented a plan to Parliament on its opening day following liberation (May 9, 1945), providing for State subsidy of national and municipal works to a total of 600 million kroner. The money would be used to furnish direct employment to 60,000 to 65,000 persons during a whole year. Production would be promoted through resumption of Denmark's foreign trade and reconstruction of the merchant fleet. Late in September 1945, about 14,000 workers were employed on public-works projects under the emergency legislation.

The Labor Government in Norway is committed to a program of State planning for the maintenance of full employment, to be assured by maintaining the level of consumption and by developing private and public investments. The program also calls for Government supervision of exports and control of imports through the license system, for extension of Government control over transportation and communication, and for possible control by the Government of the banking and insurance systems.

The Government of Czechoslovakia is extending its control over the national economy through the nationalization of all key industries, banks, and insurance companies and is thus becoming the country's chief employer. The Czechoslovak Government, moreover, has announced its policy of gradually raising the level of living of the entire population, and to that end intends to dispose of the country's manpower in such a way as to meet the needs of the country's planned economy.

Poland is apparently planning to solve its reconstruction and employment problems through the nationalization of its basic industries and the introduction of compulsory registration of labor, described above.

In Yugoslavia, where about 80 percent of the population is agricultural, the Government has assumed supervision over virtually the whole of the country's industrial production and distribution, and is planning to revive war-torn industries and to promote industrialization so as to provide employment for the country's small industrial working class and for surplus agricultural labor.

Greece is the only country in southeastern Europe in which Government control over the national economy is comparatively absent. The Government, however, has taken several measures to prevent unemployment. Besides planning a large program of highway and port works, the Government has authorized the Ministry of Labor to introduce a share-the-work system of employment in any undertaking unable to provide full-time work for all of its employees. Moreover, the discharge of workers is forbidden except for misconduct or incompetence.

The postwar German labor force will differ materially from that in prewar years both in size and composition, as a result of several

factors: Casualties are estimated at over 4 million, not including wounded and captured. Losses of territory, chiefly in the east, are likely to reduce the prewar German working population by 10 percent; there is, however, an offsetting repatriation of Germans from neighboring territory to the east and south.

Postwar plans for the employment of this labor force cannot be made by the Germans, in the absence of a central government, but are necessarily dependent upon the economic plans of the four occupying powers. Economic controls devised by the Allies are designed primarily to collect reparations, to disarm Germany, and to prevent a resurgence of the German war potential. The Allied Governments indicated at Potsdam, however, that they would make possible the "production and maintenance of goods and services required to meet the needs of the occupying forces and displaced persons in Germany and essential to maintain in Germany average living standards not exceeding the average of the standards of living of European countries. [The United Kingdom and the Soviet Union are excluded.]" Although the tasks of reconstruction and reparations might well require the full employment of every German able to work—though not necessarily at a high standard of compensation—this cannot be attained for some time, owing to the disorganization and dismemberment of the country's economy.

The Italian Government has endeavored to reduce unemployment by developing coordinated reconstruction plans, including an economic plan and an import program for 1946. Output of important commodities planned by the Government for 1946 would reach 50 to 80 percent of prewar production for aluminum, zinc, and lead; from 100 to 170 percent of prewar for precision tools, motor cars, railway rolling stock, electrical equipment, and agricultural machinery; and 75 percent for the building industry. Such production, however, would depend on imports of coal and raw materials, and industry was reported in November 1945 to be working at 25 percent of capacity. A public-works program was described in October 1945 as a means of employing 650,000 men. A decree of August 21, 1945, required State and semi-public and private organizations to reserve 50 percent of their employment for the following 2 years for ex-prisoners of war, deportees, partisans, and widows and orphans of soldiers killed in war.

In Finland, a public program for reconstruction is expected to take 15 years, even under the best circumstances. By July 1945, 260 million marks had been granted for repair of roads, railways, bridges, etc., expected to total an expenditure of 2.4 billion marks. Private repair of building damage, estimated at 2.8 billion marks, is subsidized by the State.

Asiatic Countries

ASIATIC MAINLAND

Trend of employment.—The great majority of the people in China (including the northeastern Provinces of Manchuria) and in Korea, French Indo-China, and Thailand are dependent upon agriculture for their livelihood, as shown in table 6. Even in Manchuria,¹⁰ probably the most industrialized area, 75 percent of the gainfully occupied

¹⁰ Statistical data for Manchuria in this article apply to the Japanese puppet State of Manchukuo, whose boundaries differ slightly from those of Manchuria.

population was dependent upon agriculture, forestry, and fishing in 1936, while many of those classified as employed in mining, manufacturing, or commerce were handicraft workers or workers in very small establishments with little mechanical equipment. They would hardly be considered industrial workers in the western sense of the word.

TABLE 6.—Population and Distribution of Gainfully Occupied Persons in Five Asiatic Countries

Item	Korea, 1930	Manchu- ria, ¹ 1936 (official estimates)	China, 1930-1940 (estimates)	French- Indo China, 1936 (estimates)	Thailand, 1937
	Number of persons (in thousands)				
Population.....	21, 058	35, 803	450, 000	23, 030	14, 464
Gainfully occupied, total.....	9, 766	13, 013	-----	-----	6, 824
Agriculture, fishing, and forestry.....	7, 787	9, 709	-----	-----	6, 049
Manufacturing.....	586	927	* 2, 000	* 1, 570	130
Other.....	1, 393	2, 377	-----	-----	645

¹ Covers territory in Manchukuo and South Manchuria Railway Zone.

* Factory employment. The total number of handicraft and manufacturing employees is placed at 4,500,000 in some estimates.

* Persons completely dependent upon handicraft were estimated at 1,350,000 in 1938 and all wage-paid employees numbered 220,000 in 1929.

Since most of prewar Chinese industry was in the occupied areas along the coast, after the Japanese invasion the Chinese Government made great efforts to move factories to the interior. By 1940, 12,000 skilled workers, constituting a small but important portion of all skilled workers, had been moved to the interior, with 116,000 tons of equipment and materials. The Japanese also removed some textile equipment from the China coast to Japan.

Wartime conditions brought unemployment in consumer-goods industries, particularly textiles, in Occupied China, Korea, and Manchuria, but in the last two countries the Japanese promoted the development of heavy industry. Table 7 shows the effect of industrialization in Manchuria up to August 1939.

TABLE 7.—Factories and Mines in Manchuria, and Their Employment at Specified Periods, 1935-39¹

Date	Factories		Mines	
	Number	Number of workers	Number	Number of workers
December 1935.....	179	55, 021	26	58, 500
December 1936.....	214	71, 387	36	74, 403
December 1937.....	226	99, 112	50	115, 206
December 1938.....	319	153, 732	76	182, 794
August 1939.....	344	180, 860	92	223, 913

¹ Data relate to Japanese-owned, power-equipped factories employing 50 or more persons in Manchukuo, South Manchuria Railway Zone, and Kwantung.

Wartime employment controls.—In Free China and also in Japanese-controlled areas, government manpower programs initially stressed the recruitment and training of factory workers. Where necessary,

such workers were registered, frozen to their jobs, and in Japanese-controlled areas, they were virtually conscripted. They were also given food rations sometimes twice those of ordinary civilians. In some cases, special housing was provided for factory workers on war contracts. Male labor for public construction projects was obtained under a compulsory-labor-service law in Free China, and by similar but frequently cruder and more drastic measures, in Japanese-controlled areas.

Long-term planning.—For China, Chiang Kai-shek stated on September 7, 1945, that “only when rural living conditions have been improved can the industrial and commercial centers have a solid foundation for rehabilitation.” Plans are being made for extensive industrial development in China. The Kuomintang and other Chinese agencies have recommended State ownership of basic industries, and development of other industries with Government assistance when the necessary capital cannot be obtained otherwise. Such State aid will be of particular importance in those industries previously supported by large Japanese or puppet-government subsidies. Current conditions in French Indo-China, Thailand, and Korea have not made possible the development of specific postwar employment plans:

JAPAN

Introduction of employment controls.—Japan was able to increase industrial employment in support of the Manchuria incident in 1931 and the China war, beginning in 1937, with relatively little Government control. The estimated civilian labor force was increased to 32.3 million persons in 1937 from 29.4 million in 1931, in spite of some growth in the size of the armed forces. General wartime powers for the allocation and control of the civilian labor force were granted in the National General Mobilization Act of 1938 (revised in 1941), and the terms of this and later laws were made effective through ordinances from 1939 to the end of the war.

Labor was registered under five orders between July 1938 and February 1939; the most important registration (January 1939) covered skilled and technical persons. The first general registration of November 1941 covered all civilian men between the ages of 16 and 40 years and unmarried women aged 16 to 25. By 1944, 6 million persons were registered. Registration records or work books were retained by employers and were withheld from employees who attempted to leave their jobs without proper authorization. Other measures passed from 1938 to the fall of 1941 gave essential industries priority in the employment of skilled workers, restricted nonessential industries in the employment of persons in certain age groups, limited the movement of designated skilled groups of workers, and provided for labor conscription.

*Employment controls, 1941-45.*¹¹—The system of controls established during 1941 continued without much legal change until mid-1943 when men aged 14 to 40 years were prohibited from holding employment in 17 specified nonessential occupations. Registration was expanded early in 1944, and in February 1944 men aged 14 to 60 and unmarried women aged 14 to 40 were made subject to conscription;

¹¹ Owing to the war, all statements are necessarily based upon incomplete evidence; they do represent the latest information on the Japanese manpower situation available in the United States.

this power was used extensively as regards men during 1943 and was applied to women in November 1944. By late 1944, these age groups had to obtain approval from employment offices before accepting a job. By the end of the war in 1945, the Japanese stated that 6 million workers had been conscripted. In addition, the Women's Volunteer Labor Corps mobilized nearly a half-million women for part-time work and, in March 1945, schools suspended all class work above the elementary grades, providing a reported 1,927,000 workers.

Disposition of labor force.—Estimates of population and labor force distribution in Japan are shown in table 8 for selected years from 1930 to 1944. The civilian labor and the armed forces formed 46 percent of the total population in 1930 and 51.9 percent in 1944.¹² The employed women represented 33 percent of the work force in 1930 and 36.1 percent in 1944. The most marked change in the structure of the labor force from 1930 to 1944, according to the estimates, was the rise in industrial employment, amounting to 59 percent. Volume of agricultural employment dropped about 1 percent but, in relation to the increased labor force, its relative importance was considerably reduced during these 15 years. Insofar as the estimates of the Japanese labor force are reliable, they indicate that most of the great increase in industrial unemployment had occurred by 1941, prior to the inauguration of extensive manpower controls. These measures were, however, probably largely responsible for increases in the total military and civilian labor supply after 1941 and were also important in moving workers from civilian to war industries.

TABLE 8.—*Estimated Population and Distribution of Labor Force in Japan, by Principal Activity,¹ 1930, 1937, 1941, and 1944*

Group	Number of persons (in millions)			
	1930	1937	1941	1944
Population.....	64.5	71.3	73.9	75.0
Estimated civilian labor force.....	29.4	32.3	31.9	32.7
Agriculture.....	14.1	13.7	13.2	13.9
Fishing.....	.6	.7	.7	.5
Mining.....	.3	.4	.5	.6
Manufacturing and construction.....	5.9	7.6	8.5	9.4
Commerce.....	4.9	5.7	4.8	3.9
Transportation and communication.....	.9	.9	.9	1.1
Government and professional.....	1.8	1.9	2.1	2.4
Domestic.....	.8	1.0	.8	.6
Miscellaneous.....	.1	.4	.4	.3
Armed forces ²2			16.2

¹ The industrial distribution for 1930 is taken from the 1930 Census of Japan, Final Report, table 46, Industrial Distribution. All other data are estimated by United States Government agencies.

² Estimates for the armed forces are not available for 1937 and 1941; the number given for 1944 is the number in the armed forces in August 1945, according to the United States War and Navy Departments.

Situation in 1945.—Japanese radio broadcasts between August 14 and November 15, 1945, were the main source of information available in the United States on the postwar relaxation of employment controls. They state that the ban on employment of males aged 14 to 40 years in the 17 nonessential wartime occupations was removed, that the national patriotic labor-service organizations were disbanded, that registration for work was discontinued, and that anyone was free to seek employment at will.

¹² This percentage was obtained by adding to the civilian labor force of 32,700,000 in 1944, the estimated figure of 6,200,000 men in the armed forces at the time of surrender in 1945, and dividing by the total population (estimated at 75 million).

In November, measures were under consideration to alleviate labor shortages existing in coal mining, shipbuilding and repair, and agriculture, although the general outlook was one of widespread unemployment. Japanese estimates placed the number of unemployed at 4 million on November 16, 1945. Reports indicate that large numbers of former city dwellers had gone to live with relatives on farms and that many Japanese have been engaged in rebuilding their homes, living meanwhile on savings accumulated while doing war work.

The Japanese Government hoped that reconstruction and agricultural development could absorb the unemployed. By December 1945, the Ministry of Agriculture had formulated plans to resettle 100,000 families, by April 1946, on land formerly under army or private ownership. In addition, adult males were to have job preference over students, old people, women, and Koreans, and 3 million women were expected to withdraw from industrial occupations. Most Koreans in Japan and Japanese in Korea will probably return to their respective countries of origin. Under the Allied occupation policy and the economic disarmament program, the Japanese Government is responsible for measures for the relief of unemployment and the development of peaceful civilian industries.

Curtailement of British Employment Controls¹

A FURTHER sharp curtailment in the groups of workers still subject to the wartime Control of Engagement Order was made effective in Great Britain on December 20, 1945.² With certain exceptions indicated below, men aged 31 and over, and all women regardless of age, were freed from the obligation of obtaining work through the Ministry of Labor and from direction into employment.

Directions to employment under the order were to be used in future only for a few industries and services, or, in exceptional cases, when needed for the administration of the Essential Work Orders and similar orders that remained operative and covered men and women of all ages. The main exceptions follow:

(i) Nurses and midwives up to and including the age of 40 for women (50 for male nurses) will be subject to existing control for 6 months.

(ii) Men up to and including the age of 50 in the building and civil engineering industries will be subject to existing controls. This means that men and women covered by exceptions (i) and (ii) must still get their jobs through the Ministry of Labor and may be directed to the most important jobs.

(iii) Male agricultural workers up to and including age 50 will be subject to existing controls. This means that such workers who want to work outside agriculture can only do so if they obtain the permission of the Ministry of Labor and must get such jobs through a local office of the Ministry.

Employers were to be free to advertise for workers subject to the Control of Engagement Order.

The upper age limit for control, namely, up to and including the age of 30 years, coincides with the age for military draft, and further reductions in the age limit for military service were to result in corresponding reductions in the age limit for civilian control.

¹ Information is from Great Britain, Ministry of Labor and National Service, Ministry of Labor Gazette, December 1945 (p. 217).

² See Monthly Labor Review, Issue of September 1945 (p. 437) for a summary of the amendments to the Control of Engagement Order effective June 4, 1945. See also Monthly Labor Review for January 1946 (pp. 6-24) for relaxation of wartime labor controls.