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WORKING GROUP ON LABOUR MOBILITY

FRENCH NOTE ON DEVELOPMENTS IN THE FIELDS OF EMPLOYMENT,
MIGRATION AND LABOUR MOBILITY

Note by the Secretary

At its meeting on 25th November, 1953⁽¹⁾, the Council approved that the Secretariat should review the trends in employment, labour mobility and migration and the action taken by member governments and international organizations.

2. In conformity with this decision, the Secretariat invited member governments to submit any information subsequent to that already sent in during the past year on developments in these fields.

3. Attached is a note prepared by France in compliance with the request mentioned in paragraph 2.

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(1) C-R(53)49
C-M(54)1

NOTE BY THE FRENCH DELEGATION

In its memorandum of 13th April, 1953 (AC/36-D/7/4), the French Government described the very liberal character of its legislation on immigration, pointed out the importance of its contribution towards the solution of the problem of surplus populations and drew attention to its constant efforts for the assimilation of immigrants into the national community and the subsequent stabilisation of these elements.

2. It also emphasised that if its policy was to remain realistic and effective, it must take account of the ever-changing economic and social factors on which depend both the objectives and the success of this policy. In this connection, the report noted certain disturbing features, such as the marked decline in economic activity, the presence in continental France of a steadily growing number of workers from North Africa, and the possibility of adverse effects stemming from the provisions of the Treaty setting up the European Coal and Steel Community.

3. However, a survey of the situation of the labour market over the past year confirms the comparative stability of the level of employment foreshadowed by the trends which prevailed during the latter months of 1952. This can, moreover, only be fully appreciated by observing the fluctuations of the three economic barometers: national currency, wages and prices against the general background of the country's economic activity.

4. After the erratic movements of the past few years, the inevitable aftermath of the last war, 1953 witnessed the levelling out of the currency, wages and price fluctuations. The arrest of inflation, borne out by the spectacular drop in the price of gold in Paris and the hardening of the franc on the international markets, confronted the economy dominated until then by currency considerations, with normal market forces and, while revealing certain serious structural defects, stimulated the spirit of thrift essential to productive investment.

5. Aided by the decline in the world quotations for raw materials, the general level of prices remained remarkably steady, even evincing a tendency to fall; the wholesale price index (basis: 100 in 1949) was 138 in December 1953 as against 140 in December 1952, the retail price index over the same period dropped from 145 to 143, and the price index based on family budgets receded by as much as 2.3%. The steadiness of prices made it possible to run down commodity stocks, to build up Government and private cash reserves and to maintain, and even increase, purchasing power, for the wage index advanced by several points.

6. Under the influence of these forces, the past year is seen to have been a period of transition characterised by a certain wavering in the development of the French economy. The fluctuations in the general index of production, whose average position was only a few points lower than the previous year, are only an imperfect reflection of the precarious balance due to the continuing disparity between prices in France and abroad, the present state of Government finance and the existence of extremely different conditions in the various production sectors.

7. This is revealed by a rapid survey of the main branches of the economy. Where the necessary effort has been made to

adapt them to changed circumstances, they have been able to maintain and even improve their position as in the case of electric power production, fuel refining, iron and steel, automobile construction, and the electric, electronics, paper and textile industries. Others, such as the chemical industry, the building trade and public works have remained stationary. A difficult situation, on the other hand, was encountered in certain branches, such as coal mining, which now has to face the competition of petroleum products, agriculture which, in spite of an excellent harvest, has marketing difficulties to contend with, and a number of producers of consumer goods (clothing, hides and skins, ladies fashionwear, etc.).

8. Although the general pattern of employment closely follows the pattern of production, if examined in detail it will be seen that for a given branch of activity, the situation in certain areas, and even in individual firms, is by no means always consistent with the overall picture. This statement, however, calls for the following broad comment; as is usual in such circumstances, it is as a rule the unskilled workers who feel economic fluctuations most keenly. It so happens that it is the industries which employ the largest number of unskilled workers, such as coal mining, hydro-electric dam-building, textile mills and agriculture, which have been forced to reduce their labour force or work shorter hours, thus causing partial unemployment.

9. The quarterly economic returns enable the following figures to be given with respect to the employment situation. Although finally little change occurred in the average index of employment, which fell from 110.4 to 110 between the beginning and the end of the year, a drop of 4.7% was registered in the mines, 2.9% in the railways, hides and skins, timber and furniture, and 4.2% in the metal producing industries. The working week has hardly varied from the average of about 45 hours, the number of wage earners employed for less than 40 hours and drawing benefits for partial unemployment having fallen from 284,000 to 157,000.

10. Finally, the labour market statistics show that the average monthly figures of unemployment and applications for employment for the year 1953 were respectively 59% and 36% higher than the average figures for 1952; those of employment found and unfilled offers of employment on the other hand, respectively 11% and 40% lower. The latest employment statistics indicate that on 1st January, 1954, 390,000 persons able and anxious to work were registered as unemployed, in accordance with the definition given to this term at the 6th International Conference of Statisticians; for the previous year the number was 300,000.

11. The trend which can reasonably be anticipated to develop as a result of the implementation of the second Plan of Modernisation and Equipment does no more than hold out the prospect of full employment. The increased numbers needed to meet the expansion of certain industries such as building, engineering and electrical engineering, are in fact offset by decreases in the labour force of the industries which are experiencing a recession (coal mining, textiles, tanning, footwear, agriculture). Thus, with the exception of a small number of skilled workers, there will be no question of increasing the total labour force, the problem being solely that of achieving sufficient mobility for the absorption of local deficiencies by local surpluses.

12. It should also be noted that, so far, only the situation in metropolitan France has been considered. However, in view of the steady flow of workers from the North African "départments" to continental France and the rapid growth of the population of Algeria, it is not possible to disregard the situation in North Africa, where births exceed deaths by 400,000 each year, whereas in France the figure is likely to remain constant at around 250,000.

13. Moreover, Article 69 of the Treaty setting up the European Coal and Steel Community has not yet entered into force. Although the inter-governmental conference called for this purpose has completed its work and prepared a draft agreement laying down the general conditions under which skilled workers in either the coal or the steel industry may be authorised to move from one member country to another to take up the employment of their choice in the same industry, these provisions have not yet been put into their final form. Furthermore, questions of procedure will have to be settled by an administrative arrangement. As things stand, it is therefore not possible to foresee what impact the application of Article 69 will have on the general employment situation.

14. As forecast in the French memorandum of 13th April 1953, the number of foreign workers who entered France that year to take up permanent employment was considerably lower than that in 1952 and amounted to 15,361 (as against 32,750 in 1952), of whom 10,942 were Italians. On the other hand, the contingent of seasonal workers admitted in 1953 was larger than ever before: 34,175 (as against 33,784 in 1952), of which 8,883 were Belgian workers brought in for beet lifting, and 19,473 Italian workers engaged for the same work.

15. Nevertheless, the following measures stand to the arbitrary amount intended to cover credit of the French Government. At national level, the immigration costs, which is repayable to the National Immigration Office by employers of foreign labour, was first reduced from Frs. 9,500 to Frs. 9,000 as from 15th March 1953, and then to Frs. 8,500 as from 27th March 1954. This move, by reducing the outlay, is calculated to facilitate the employers' conclusion of the contracts required for the admission of the foreign workers necessary for the smooth running of French concerns.

16. A bilateral recruitment agreement, roughly following the lines of the arrangement between France and Italy, was concluded with the Greek Government on 9th March. A similar agreement is being negotiated with the Netherlands.

17. It should also be noted that under a trial scheme operating between the French Government and the High Commission on Refugees, 140 refugees from Bulgaria, Yugoslavia and Albania, who had found asylum in Greece, were recruited during May and June 1953 through the National Immigration Office. This experiment, although not exempt from certain difficulties, mainly of language, has nevertheless provided valuable guidance for the future.

18. At international level, it will be recalled that Convention No. 97 on Migrant Workers has just been ratified.

19. The French Government is of course still contributing to the administrative funds of the Inter-governmental Committee for the Migration of Europeans.

20. It also continues to take a most active part in the work of the OEEC Committee on manpower.

21. Within the Council of Europe, the French Government has supported the setting up of a committee on social affairs composed of senior officials of the appropriate ministries of member countries; it will enable the activities of this organization to be extended to the social field, at the same time facilitating closer collaboration with the other international organizations while avoiding overlapping.