

group of human beings, whose success depends upon their cooperation and unity of purpose. The medical advisor and the personnel director are to an industrial organization what the machine setter and maintenance men are to the mechanical equipment of a plant. Just a single bearing out of line may shut down an entire conveying system, so can an unadjusted misunderstanding destroy efficiency of an entire department.

From my point of view the medical profession has not only a great opportunity but a deep responsibility toward the war effort. They are the ones to insist that the health of a nation should be main-

tained at the highest standard at all times. This requires not only medical hygiene, but mental hygiene,—the foundations upon which morale must always be constructed. And, after all, no matter how efficiently we build our fighting equipment, how destructively we design our munitions of war, the ultimate victory must be gained through a moral, yet a spiritual determination that will not be gainsaid."

All of us who are vitally interested in the future of the world must meet this challenge, in order that production may go forward steadily and victory be won.

Labor Aspects of International Relations

By JOHN W. TUTHILL

THE International Labor Organization at its recent conference in Philadelphia made a number of important recommendations to member governments on issues concerning income security, social security for the armed forces, medical care, social policy in dependent territories, transitional employment policies, organization of employment services and national planning for public works.

In addition to making these recommendations on issues of specific interest to labor, the conference also unanimously supported other more general objectives, having in view the desirability "of giving early effect to the principles of the Atlantic Charter and Article VII of the Mutual Aid agreements." The conference stated a belief that the United Nations "should take vigorous action to promote the expansion of international trade by appropriate commercial policies." It supported the view that "the United Nations should initiate measures to facilitate the coordination, through appropriate

international machinery, of the commercial policies of all countries for the purpose of promoting a steady expansion in world trade on a multilateral basis."

The part of the Atlantic Charter that the delegates apparently had primarily in mind was the declaration that the countries concerned "will endeavor, with due respect for their existing obligations, to further the enjoyment by all States, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity."

The key part of the Article VII Agreements is the pledge of the contracting nations "to the elimination of all forms of discriminatory treatments in international commerce and for the reduction of tariffs and other trade barriers." This objective is practically identical with that stated by the Governments of Canada and the United States in an exchange of notes in November, 1942, when the two governments pledged themselves to cooperate in eliminating discriminatory trade policies and to the reduction of tariffs and other trade barriers.

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These broad and general statements may seem rather far away from the usual considerations of labor relations affecting wages and working conditions, problems of collective bargaining, etc., but it is important to realize that labor organizations and labor representatives have no alternative but to interest themselves in the broader and basic issues of international relations. By so doing they are able to play a role in the establishment of framework which will make the immediate objectives more likely of realization.

Before considering some of the international issues involved and the types of labor action that might appear desirable, some mention should be made of the increased evidence of a realization on the part of governments of the role of labor in international relations. Just last winter, the United States Department of State, organized the Division of Labor Relations with the stated objective of "initiating and coordinating policy and action in matters pertaining to (a) the effects on the foreign relations of the United States of policies and practices in foreign countries concerning wage and hour standards, working conditions and similar matters of interest and concern to labor in the United States and abroad; (b) the interest of labor in the United States in matters of broad international policy; (c) international arrangements for the promotion of full employment, health, economic and social welfare in general" and (d) liaison with other departments and international agencies.

The United States Government, through the Department of State, is now in the process of expanding its representation abroad of officials concerned not only with labor relations in the countries in which they are stationed but, more important, in terms of examining labor aspects involved in the foreign policy between the United States and such countries.

This simply means that there is an increased awareness in the United States that wages and working conditions in other countries are of more than an

academic interest to the American people and the American Government.

Many other countries in addition to the United States are developing an increased awareness of the importance of labor relations in the operation and administration of problems in the field of international affairs.

This development, however, of necessity, entails increased responsibilities as well as increased recognition to labor. Specifically, if the governments of the world realize the importance of labor on the world scene, labor itself must realize its own interests in both national and international developments, which formulate or lay the patterns for basic economic and political conditions.

It is the height of unrealistic thinking to plan for full employment, high wages, desirable working conditions, collective bargaining, etc., without considering the fundamental pattern and condition of the world economy. No purely local systematic program by labor can have meaning or substance except in terms of world wide political and economic conditions. In order to have political stability, we must have a sound world economy which, in turn, means in our world of to-day, conditions favorable to expanding world trade.

Too many times in the past, members of Parliament and members of Congress have been ignored or rejected when they have attempted to obtain local support for sound international policies. Far too often labor organizations themselves have been guilty of the sins of omission in their failure to take an intelligent interest and to give adequate support to those of their representatives who were willing to see the forest as well as the trees.

We are to-day facing a formative stage in world affairs when—during the transition from war to peace—our national economies will either fall into a cooperative world system with expanding trade and improved living conditions or else will fall back into the cut-throat, dog-eat-dog era that we experienced between two world wars. If we have not

learned from the past three decades, which have given us two world—and many local—wars, a short and unbalanced period of boom and speculation and a long and degrading depression, then we can expect nothing better than a repetition of those conditions.

The general objectives mentioned above represent attempts to form an economic base for post-war conditions which will allow some optimism regarding the chances of building a really better world. The obstacles are many. Already selfish influences have made themselves felt either through ridiculing or denying the desirability of our jointly pledged objectives. From many quarters we now hear the same old shortsighted pleas that contributed so materially towards the development of the chaos of the 30's and the war that followed. These voices not only point to the need of various business concerns and various countries for special arrangements and special protection but, in addition, argue in a subtle fashion for the continuation of private agreements whereby private business concerns can parcel out and allocate trade of the world.

International financial and tariff policies cannot alone build the firm foundation that is required. In addition, the secret and uncontrolled arrangements of private concerns must be forced into the full light of publicity and must be made to conform to our objectives of expanding world trade—the absolute essential for a steadily rising standard of living throughout the world. If Canadian concerns and if American concerns are to be allowed freedom to expand and to trade throughout the world, they must be relieved of restrictive agreements which have as their objective the avoidance of this condition.

Looked at from this world wide point of view, it is apparent that labor has not just the opportunity but the absolute responsibility to play a progressive role and to make its influence felt in the field of international affairs. However, there is a simpler and a widespread approach that, in the past, has been disturbing

to many of us and that has been attractive to too many representatives of labor.

This attitude may be exemplified by a sentence which was found scratched on a building in down town New York in the early '30's. The words read: "Buy foreign goods and starve American labor."

The attraction of that sign was, and still is, very direct. Is it not true, for example, that national policies designed to increase imports of foreign goods will have the effect of forcing some local business concerns to curtail or suspend operations? And thus, will not domestic labor suffer by an increase of two way world trade?

This is partly true and, therefore, when we plan our international economic policies, we must acknowledge that there are many local and difficult problems of dislocation and relocation that have to be faced. If we are to have increased world trade, if the Canadian exporting industries and the American exporting industries are to obtain increased world markets, then certain industries within our two countries that are vulnerable to foreign imports will undoubtedly suffer. Certain workers, certain business men and certain stockholders will face the necessity of a change, if not in terms of location at least in terms of type, of employment. These changes are difficult and they must be treated carefully and gradually. Yet, they must be made and they must be faced in the interest of all the people of our nations and in the interest of fundamental conditions that will allow a large portion of our people to have improved living conditions.

The relation between imports and the size of the total national income of our people illustrates the problem in specific terms. The American Department of Commerce recently prepared a study entitled "The United States in the World Economy." It contained a chart showing the relation between imports into the United States and the level of national income in the United States. This chart shows that both imports and national income were up in

1922 and 1923; that both touched a peak in 1929; a low simultaneously in 1932 and both were up to another peak in 1937.

More detailed information is available about the American record through the 30's. In 1932 not only did the national income of \$40 billion and total imports of \$1.5 billion each represent new lows but also total employment of 26.5 million represented the lowest level for a period of many years. Likewise, weekly earnings at a figure of \$17.05 represented our lowest position, as did weekly earnings figured on the basis of real wages—that is, after an adjustment made for changes in the cost of living. From 1932 the trend on all the items was upward until the peak of 1937. By that year, national income had increased by \$31 billion to \$71 billion, imports increased almost \$2 billion to \$3.4 billion and employment increased by 8.3 million to a total of 34.8 million. During the same period average weekly earnings increased almost \$10.00 to a level of \$26.80, at the same time that weekly earnings on the basis of adjustments for the cost of living also reached new peaks. All of these items simultaneously declined in 1938 and again rose in 1939 and 1940. Thus, during the 30's in the United States, it can be stated with absolute accuracy that total employment and average wages in terms of dollars and in terms of wages adjusted for changes in the cost of living all rose and fell simultaneously with changes in the amounts of total imports into the United States.

The Commerce study also showed the relation of total national income in Canada to imports from the United States. It demonstrated that Canada's imports from the United States Canada's and national income simultaneously hit peaks in 1923 and 1929 and also simultaneously reached their lowest ebb in 1933, only to reach new peaks simultaneously again in 1937.

This at least demonstrates that both our countries have the greatest volume of imports at times of peak employment and peak wage rates. In terms of one

nation, this is not a case of cause and effect. It is obviously absurd to think that our conditions of employment and wages can be automatically increased by increasing imports. It is true, however, that workers in Canada and workers in the United States are better paid and better employed at times when our nations have the greatest volume of trade between one another.

Even more so in the future than in the past, will it be true that the state of our domestic health will depend, to a large extent, on whether we are able to exchange with one another the goods that we are best able to produce.

This condition of expanding trade is difficult, if not impossible, to achieve on a unilateral or even on a bilateral basis. No one country can be expected to open its gates to foreign goods with resulting dislocation in its economy unless it can at the same time obtain increased markets abroad and, therefore, opportunities to expand operations and employment in other industries. The recommendations of the International Labor Organization discussed previously support an approach towards eliminating unnecessary trade restrictions on the part of all nations. As mentioned in those recommendations, this must be on a multilateral basis in order to be truly effective.

This points up the absolute necessity for labor to think in truly international terms. If Canadian and American industries that are interested in export markets are to expand and to offer improved working conditions and increased employment opportunities, a sound international economic system must exist. It cannot exist if each nation takes a shortsighted view of its trade and employment situation.

Such a program means lifting our sights to stronger and firmer objectives and it means supporting those people in both our countries who have the courage and the vision to work for the broader objectives as well as for the immediate gains.