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WORKING GROUP ON LABOUR MOBILITY

MR. P. SCHNEITER'S REPORT PRESENTED TO THE COMMITTEE  
OF MINISTERS AT THE COUNCIL OF EUROPE DURING DECEMBER 1954

Note by the Acting Secretary

For the information of Members of the Working Group annexed hereto are extracts from Mr. P. Schneider's Report(1) on the Problem of National Refugees and Over-population in Europe.

2. Under Annex A is given a Summary of the Position and General Conclusions.(2)

3. Under Annex B are given the proposals contained in the Report with regard to future political action.(3)

4. Under Annex C are given the proposals contained in the Report with regard to future financial action.(4)

5. Under Annex D is given the text of the Resolution adopted by the Committee of Ministers at the Council of Europe on 19th December, 1954.

(Signed) P. ANNINOS

Palais de Chaillot,  
Paris, XVIe.

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- (1) Circulated as a Council of Europe document: C-M(54)178  
(2) Chapter 1.B of original report  
(3) Part I of Preface to original report  
(4) Part II of Preface to original report

SUMMARY OF THE POSITION

1. At the end of my tour I can sum up as follows the position in the countries which have a refugee or over-population problem:

(i) The Netherlands has; demographically, reached saturation-point. There is no other solution than emigration for its genuine surplus of manpower. Provision must therefore be made for the annual emigration of 50-60,000 persons.

(ii) The German Federal Republic will be able to absorb a large proportion of the refugees who have entered the country so far, provided that the flow comes to an end. But it needs capital for the purpose. Furthermore, there is no prospect of absorbing the refugee farm workers. Land must therefore be found outside the frontiers of Germany for at least 60,000 families of farmworkers, approximately 200,000 persons in all.

(iii) Italy can, by the better organization of its resources, absorb a slightly higher proportion of its surplus of population. For this, however, the help of foreign capital is essential. The majority of the annual manpower surplus, as well as the back-log which has accumulated since the reduction in the flow of migration - about 300,000 persons - will, for the next ten years, have to settle outside Italian territory.

(iv) Greece suffers from being under-equipped, which prevents her from absorbing into her economy her 40,000 or so refugees and her annual population surplus of 30,000. Provision must be made in the next few years for the emigration of about 35,000 Greeks each year. At the same time, the integration of the refugees into the national economy should be stimulated by foreign capital.

(v) Turkey has made a magnificent effort in settling the majority of the 150,000 refugees from Bulgaria. The process of absorption could be speeded up still further if the efforts of the Turkish Government were supported by international capital.

CONCLUSION

2. The results of my investigations into the demographic situation in Europe concord with the excellent outline of the problem produced by the European Centre of Demographic Studies at the request of the Secretariat-General of the Council of Europe in pursuance of Resolution (53)19 of the Committee of Ministers.

3. It is revealed by this outline that over-population signifies chronic under-employment. Manpower being subject to the law of supply and demand, the human worker is rejected when, under given technical conditions, manpower has been exploited to a point at which any additional work is uneconomic, even at the minimum level of remuneration. The fact that this saturation-point has been reached and even far exceeded does not mean that it cannot be raised by a better organization of the available resources. The employment position in the over-populated countries must be judged on the basis of their potentialities and not on the present state of their economy. With regard to these potentialities, it is not the present supply of manpower which constitutes the other factor in the problem, but the probable evolution of the supply.

The decisive criterion for over-population is not so much the extent of structural unemployment as its tendency to spread as a result of the fact that the active population increases more rapidly than the number of jobs available.

4. Applying these criteria, we find the following three distinct types of situation in Europe today:

(a) Absolute over-population: The resources of the country are fully exploited by the best technical methods, and full employment can nevertheless not be achieved. The growth of the population, therefore, causes a genuine manpower surplus to accumulate. Only the Netherlands comes into this first category.

(b) Relative over-population: (or under-development): Under-equipment, particularly industrial under-equipment, is such that the active population is not properly used, so that there is chronic under-employment, particularly in the primary sector, where it is often concealed by a ludicrously low level of productivity on the land. Over-population is therefore relative to the present state of an economy which can be considerably improved. The level of employment can be raised by the expansion of industry and even to some extent by certain improvements in agricultural methods. Among member states, Italy, Greece and Turkey (among non-member states, Portugal, Spain and Yugoslavia) come into this category.

(c) Spurious over-population (or structural distortion): The structure of the active population is such that the supply of manpower cannot adapt itself completely to a demand which is or could be quantitatively adequate. This is the case of the German Federal Republic, where structural unemployment is mainly due to the difficulty found in absorbing into the economy of the country the active elements of a refugee population whose vocational structure is ill-adapted to the requirements and whose mobility is limited. This is also the case of Austria where the situation is aggravated by old factors making for disequilibrium.

5. The conclusions on how to solve this problem, reached at the end of my tour, confirm almost word for word the views expressed by the various organs of the Council of Europe which have tackled this question during the past few years. I have indeed, found ever since I assumed my functions, that wherever I had what I thought was a new idea, it was already to be found in one of the reports. Thus since the adoption of the Report of the Committee of Experts on the Problem of Refugees and Over-Population in 1951 the Council of Europe has considered the following measures for absorbing refugees and surplus elements of population:

- Reorganization, to the maximum extent, of national resources to increase the number of jobs available;
- The organization of intra-European migration to enable workers from over-populated countries to settle in others where there are jobs available;
- Increase in migration overseas through the creation of additional openings in those countries.

The summary given above of the respective requirements of the countries concerned shows how closely these measures still correspond to present needs.

6. The first solution, absorption in the country of residence, is the best. Man has always preferred to work on his native soil and should not be torn away from his social environment. This solution also brings appreciable economic advantages, increase in production and national income, reduction in overheads per capita, etc. It best serves the interests of the countries concerned because it is the only one which will genuinely increase their wealth. But it is more difficult to put into effect because it requires considerable capital investment and patient long-term planning. Failing the financial means, this solution is no more feasible than it is in those countries which have already reached, if they have not passed, the stage of absolute over-population.

7. To the extent that the countries affected are therefore forced to have recourse to immigration, it is in the interests of Europe as a whole that the utmost efforts be made to direct the largest proportion of emigrants to the less populated countries of Europe, which will make possible the fullest use of the resources of Europe as a whole. European countries which have only 60 or 70 inhabitants to the square kilometre must realise that they cannot lock themselves in behind their frontiers. An under-populated country can no more keep its economic frontiers shut than an unarmed country its military frontiers. The member countries that are not over-populated must substitute for an immigration policy based solely on the immediate need for manpower, a policy by which short-term economic considerations are subordinated to long-term demographic considerations. Moreover, the introduction of new elements into the population nearly always leads - as has once more been amply proved by recent examples - to an increase in the economic potential and purchasing power of the population as a whole.

8. The two solutions mentioned above (absorption of surplus elements of population in the country of residence and absorption in another European country) cannot, however, alone solve the whole problem within a reasonable period of time. Thus, emigration to other parts of the world, although the least beneficial course from the point of view of European interests, remains the only immediate answer to a situation which threatens to prolong itself indefinitely. Moreover, this is the solution desired in certain individual cases. It has some other advantages, notably that of maintaining the links with the overseas countries which belong to our Western civilisation. On the other hand, since Europe already has an ageing population, and since overseas emigration appeals most to the younger elements in the population, it would tend to accentuate this tendency. It should therefore not be considered until the maximum effort has been made to exploit fully the resources of Europe, both metropolitan and extra-metropolitan. Europe's position vis-à-vis the receiving countries overseas will be considerably strengthened, moreover, if it succeeds in absorbing the major part of its surplus of population on its own territory and no longer appears as a suppliant in quest of outlets. The contribution which Europe can make to the overseas countries by sending out manpower which has mastery over the various trades will then be seen to its full advantage.

9. None of these solutions, however, can be realised unless the necessary funds are available. The Assembly had already reached this conclusion in 1952 when in its Recommendation 35 it said that it was necessary, in order to complete the overall

programme of economic development, to take special steps of a financial nature directly affecting the surplus elements of the population. The Special Liaison Committee took the same attitude in its report on the measures which the Council of Europe should take to solve this problem (CSL(54)8), where it stated that the absorption of the surplus elements of population in Europe could not be achieved without the help of international capital.

10. On the basis of these findings and my own impressions, I have concluded that the member countries of the Council of Europe must needs take concerted action in the political as well as in the financial field. In the political field, the search by member countries concerned for ways and means of absorbing their surplus of population must be co-ordinated at the European level. At the same time, in the financial field, redeemable capital must be mobilised in order to create a working capital fund to finance economic integration. The two chapters which follow are devoted each to the action recommended in one or other of the two fields mentioned above.

POLITICAL ACTION

The Governments of Member States should undertake to:

(a) make the most of existing possibilities of absorption within Europe itself, in regard to over-population, by:

(i) joint efforts and the co-ordination of all possible forms of international aid so as to encourage any measure intended to foster local integration taken in the countries affected;

(ii) pursuing a more liberal immigration policy, especially in the conclusion of special agreements with over-populated countries on the settlement on their territory of workers, agriculturists and craftsmen from those countries.

(b) progressively work out a common policy of European emigration passing through the following stages: mutual information, regular consultation on the conclusion of bilateral agreements with overseas countries, adoption of a standard agreement on emigration and the establishment of emigration quotas by over-populated European countries;

(c) take steps to provide vocational training for European migrants unable to receive such training in their country of residence;

(d) conduct a European and overseas public information campaign to gain public support for the measures mentioned above;

(e) entrust a European co-ordinating authority (an existing commission or committee, or a single specially appointed official or European personality) with the task of co-ordination and imparting political impulsion in order to ensure that the above commitments are carried out. The co-ordinating authority should be supported by a committee of senior officials specialising in such questions; the committee might include representatives of Member States of the Council of Europe, European Members of ICEM not Members of the Council of Europe, the United Nations High Commissioner for Refugees and the international organizations concerned.

FINANCIAL ACTION

The Governments of Member States should undertake:

(a) to set up a European fund for the settlement of national refugees and surplus population by means of redeemable loans;

(b) to make redeemable financial contributions to the fund, whose management would be entrusted to an existing international banking institution;

(c) instruct the European co-ordinating authority to grant loans from the fund to the various beneficiaries, under the control of the above-mentioned committee of senior officials.

RESOLUTION ADOPTED BY THE COMMITTEE OF MINISTERS  
AT THE COUNCIL OF EUROPE ON 19th DECEMBER 1954

The Committee of Ministers,

After examining the Final Report of Mr. Pierre Schneider, Special Representative of the Council of Europe for National Refugees and Over-population in Europe;

Congratulating Mr. Pierre Schneider on the important contribution he has made to the solution of the problem and thanking him for his tireless efforts on behalf of national refugees and surplus populations;

Reaffirming the view expressed in Resolution (51)57 to the effect that the existence of the problem of refugees and over-population can be regarded as impeding the achievement of the aims set out in Article One of the Constitution of the Council of Europe, and reiterating the need for members of the European Community to adopt a common policy with respect to these pressing questions, essential factors for the security of Europe and its economic and political stability;

Resolved to continue to seek appropriate means to afford assistance to European countries affected by the problem of national refugees and over-population:

DECIDES:

- (a) to endorse the spirit displayed in the broad lines of the report presented by Mr. Schneider;
- (b) to extend for one year the assignment given to him under the terms of Resolution (53)35 by inviting him to submit detailed proposals based on his report, with special reference to the setting up of the fund mentioned in that document;
- (c) to form a Committee consisting of senior officials from member countries with specialised knowledge of the problem of refugees and over-population, which will hold itself at the disposal of Mr. Schneider for purposes of consultation and advice;
- (d) to authorise the Secretary General to forward the report of Mr. Schneider to the Consultative Assembly.