

Election of the President is the first business. Professor Falcao, Minister of Labour, Industry, and Commerce, of Brazil, was unanimously elected President for 1938. Mr. Falcao, who is an eminent historian and economist, as well as a Minister of the Government, was admirably qualified, both by ability and experience, to preside over the discussions.

Three Vice-Presidents as follows were elected at the second sitting of the Conference:—

Mr. Aalberse (Netherlands), Government group.

Mr. Knob (Hungary) employers' group.

Mr. Hallsworth (British Empire) workers' group.

COMMITTEES.

In accordance with the usual procedure, Committees were set up to examine the subjects before the Conference. Nine such Committees were appointed as follows, the total membership of each, together with the number of representatives of Governments, employers, and workers respectively, being given:—

Committee on Standing Orders: Twenty (ten, five, and five).

Resolutions Committee: Twelve (six, three, and three).

Committee on the Application of Conventions: Fifteen (five each).

Committee on Technical Education: Sixty (thirty, fifteen, and fifteen).

Committee on Indigenous Workers' Contracts: Sixteen (eight, four, and four).

Committee on Migrant Workers: Forty-four (twenty-two, eleven, and eleven).

Committee on Hours of Work in Road Transport: Forty-eight (twenty-four, twelve, and twelve).

Committee on Statistics: Thirty-six (eighteen, nine, and nine).

Committee on Hours of Work: Sixty-three (twenty-seven, eighteen and eighteen).

NEW ZEALAND REPRESENTATION ON COMMITTEES.

New Zealand was represented on the following three Committees:—

Technical and Vocational Education and Apprenticeships (nine sittings): Mr. Moston.

Hours of Work in Road Transport (eleven sittings): Mr. Camp, Mr. Cook.

Hours of Work (nine sittings): Mr. Thorn, Mr. Cook.

The signatories to this report attended every meeting of the Conference and of their respective Committees.

COMPOSITION OF CONFERENCE COMMITTEES AND SYSTEMS OF VOTING THEREIN.

Over a period of years the composition of Conference Committees and the systems of voting therein have been the subject of annual decision, experiment being made of the Riddell system and the Riddell-Tzaut system (so called from the names of the authors). The object of both systems has been to give as many Government delegates and advisers as possible an opportunity to sit on Committees and at the same time maintain the tradition that each group have equal voting strength.

Experience has demonstrated that difficulty arises particularly where small delegations are sent. Where such delegations desire representation on several Committees, and if such Committees meet simultaneously, the members cannot do justice either to the Committees or to their Governments. Hence it has been decided to invite Governments to consider the whole question and thereafter transmit their views to the International Labour Office for the consideration of the Governing Body.

REPORT OF THE DIRECTOR.

The Director's report gave a statesmanlike survey of world economic conditions in 1937, with particular reference to the recovery up to the beginning of the year and the recession at the end of it. Stress was laid on the influence of political unrest—wars, economic warfare, and other disturbances—in retarding full recovery and in threatening the recovery already achieved. Pointing out that in 1936 no less than 11 per cent. of the net product of industry was spent on armaments, and that this form of expenditure was even greater in proportion in 1937, the Director contended that, while rearmament policies provided a substantial element in the world's total commercial activity, "genuine prosperity might have been more abundant and its prospects of endurance greater had not an excessive portion of the national wealth of almost every country been diverted to war equipment."

In support of this contention the following sentences from a pronouncement made by the International Chamber of Commerce at its Berlin Congress in 1937 was quoted:—

"A competition in armaments endangers the peace of the world and depresses its living standards. It is therefore of urgent importance to compose the political disputes, to quiet the apprehensions by which swollen armaments are justified, and once more to devote economic resources in large measure to improve the lot of mankind. Inadequate standards of material well-being are causes of social and political unrest and so enhance the risk of war. In all countries the rapid progress of science and invention, and modern methods of production and transport, would permit of the standard of living being greatly improved, provided the world would co-operate in rational distribution."