

APR 29 1945

## Regulation of Labor

### Formation of a World Council Advocated to Aid Trade

*The writer of the following letter is a business man. He is a student of economics and Fellow of the Research Bureau for Post-War Economics.*

TO THE EDITOR OF THE NEW YORK TIMES:

I have studied the Bretton Woods proposals, and in my opinion there will be no sacrifice of any kind on the part of either the lenders or the borrowers. There will only be profit, expansion and convenience for every nation that participates.

Only good-will and completely unselfish thinking, however, can create a peaceful society of all nations, save the world economically and prevent future bloodshed. The main purpose is to end discriminatory practices and economic warfare once and for all. But will the Bretton Woods scheme suffice? It will not—as long as the gap of unregulated labor is not closed.

Whether a Government subsidizes export, devaluates its currency or facilitates competition by maintaining a cheap labor standard—it makes no difference. For instance, the cost of labor in China and India is \$1.50 a week, whereas in the United States it is \$8 a day. How can tariffs be reduced as long as the various countries work on such an inequitable basis?

A third body, in addition to the Fund and the Bank, should be set up to deal only with labor. Its purpose would be to regulate labor according to international law.

Of course, in the immediate future we cannot expect the backward countries to pay the same wages as are paid in those which are industrially developed. But we can regulate labor by time, at least temporarily. For example, if a country like the United States or England has eight labor hours daily, then China or India should be allowed only three labor hours daily. Labor hours would then be increased gradually as the economy of the country expands. The production of that country should be divided so that each worker would get the same wages for less working time. In that way the competition of cheap labor would not interfere with the world economy. Then tariffs and all other barriers could be reduced to a minimum.

This body that would be set up could also advise industry, according to statistics, of scarcities or of surpluses in production, so that they could shift from one commodity to another, or could reduce labor hours. In my opinion it is absolutely necessary to fill this gap.

Another important question is that of gold. The price of gold was increased from \$20.67 an ounce to \$35 an ounce because of economic warfare. As a result, gold mining in 1942 reached an overproduction of 90 to 95 per cent. If this is not discouraged by lowering the price of gold at least to its former level, gold as a commodity will fall to a very low price.

DAVID M. LINGER.

New York, April 25, 1945.