

SPEECH BY MR. F.-X. ORTOLI,
PRESIDENT OF THE COMMISSION OF THE EUROPEAN COMMUNITIES,
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Mr Chairman,

Ladies and Gentlemen,

Thank you for inviting me to address your Congress. European integration requires more than a consensus of governments. It also calls for the sympathy and active support of all citizens - and of workers in particular. You have an essential role to play in promoting this sympathy and active support.

Your meeting takes on a particular importance at this time. To face the crisis through which we are still passing, which has been marked by a general slowdown in economic activity - endangering the doctrine of growth; by unprecedented unemployment; in most countries by pronounced inflation; by monetary upheavals and, frequently, by balance of payments difficulties, we must first of all make a diagnosis and then take action - both at national and at Community level.

I am convinced that you have a vital part to play in this.

We must not yield to pessimism: the economic and social situation in most of our countries is encouraging. The recovery of which signs could be seen in the second half of 1975 is gathering momentum this year and forecasts indicate that it could continue throughout 1976 - though at different rates in the various Member States. At the same time, consumption is recovering and unemployment is no longer increasing; here and there, unemployment and short-time working have actually declined, whilst inflation has slowed down.

But recovery alone is not enough; it must be lasting, and based on solid foundations, by which I mean that inflation must permanently be held in check to prevent the continuous pursuit of stop-go policies against a background of perpetually recurring crises.

Growth must be maintained and so organized that the economic balance is not dependent on underemployment - even though its effects are softened by various income support measures for the redundant. Not only must full employment be our objective, but growth, full employment and stability are all vital if we are to meet unsatisfied demands within the Community, contribute to the development of the third and fourth worlds and - in a word - pursue a policy aimed at reducing inequalities, which must be one of Europe's prime objectives.

These aims will not be easy to achieve, but I am convinced that they lie within our grasp if we can succeed in implementing a strategy in which each State - and the Community as a whole - takes part.

For this, Europe must play a particularly active part in a better international monetary order and a better, more just and better-balanced world economic order. No one can deny that we are all paying very dearly for the disarray into which the international system has fallen and the uncertainty and disorder which have taken over. Of course, for each country the task must begin at home - miracles will not happen - but it must be continued at European level by means of a more rigorous harmonization of policies, which our interdependence makes indispensable, and by vigorous joint action at international level. The greatest economic power in the world must make its voice heard, and must organize itself accordingly.

Secondly, within the Community, by means of a common strategy to which each must adhere and in which each must bear its share of the responsibility, effort and discipline, we must strive for inflation-free growth. These

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objectives are indissoluble and there are many examples to prove that they can be attained. But the going will not be easy, and all must play their part.

It was with this in mind that the Commission spoke of an "alliance" aimed at achieving a threefold objective:

the rapid restoration of general economic conditions which would permit optimal economic growth;

more active employment policies based on sounder forecasts and allotted a more important place in the overall policies of the Member States;

a more accurate evaluation of growth, to give it - over the medium term - a form likely to be broadly approved.

Without going into these three objectives in detail, I should like to stress the need for growth policy to be accompanied by an active employment policy. Growth in the eighties will not be the same as in the sixties. Its effect on employment is liable to come up against increasing rigidity - ill-adapted training programmes for example, or a natural resistance to change - or against specific problems in certain regions or certain economic sectors which will have to be tackled directly. Our task here is to try to analyse and suggest new ideas, as the governments of the Member States and certain of you have quite rightly called on the Community to do.

I have just outlined three equally important and closely linked objectives: it is quite clear that the Community as such cannot and must not undertake all the actions necessary to attain them. Nonetheless, its field of action is of capital importance to the whole venture, and our contribution should be on several levels.

This is why the Commission, at the last European Council, pleaded in favour of a more rigorous and more binding harmonization of economic policies - monetary or budgetary policy for example - so that we can all pull together, while at the same time, of course, helping each other along the road towards full employment and stability.

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It is in this way that we must make the fullest possible use of the means at our disposal - I am thinking of the Social Fund, an instrument for training and mobility, and the Regional Fund - to achieve full employment. I myself am convinced that as a medium-term strategy it will be in Europe's interest to develop, by more substantial transfers of resources, the areas whose growth is lagging behind - or being held in reserve, if I may use the expression.

In this light we should reflect together on the structural problems facing us; I am thinking in particular of employment, where significant medium-term movements (even if due only to population trends or changes in the type of growth) are in progress, and must be taken into account in both national and European policies.

Despite the difficulties we shall encounter, despite the scepticism aroused by the prospects of European action in the economic and social spheres, I am convinced that we both can and must advance in these different directions with your support.

In this spirit of close cooperation, I attach the utmost importance to two forthcoming events:

- the first is the Tripartite Conference which we are at present preparing, in collaboration with its various participants - in particular yourselves - on the basis of more comprehensive and more precise ideas than those it was possible for me to outline to you in the last few minutes. I hope that we shall find the opportunity at the conference, along with the Ministers for Finance and for Social Affairs and all the representatives of employers and labour, to determine more specific guidelines and means of action;
- the second relates to the medium-term policy programme, which will provide an opportunity of examining structural development at European level. I expect a great deal from the study the Economic and Social Committee is to make of the proposals we shall put forward this summer.

I have now reached the end of my address; but I should like to remind you once more of the value we attach, for our success in building Europe, to working in close cooperation with you, by direct contact, through the various consultative committees, within the Employment Committee - and tomorrow at the Tripartite Conference. This increased understanding, this dialogue and cooperation are essential for the policy whose outlines I have just sketched; which is a measure of the value, in my opinion and in that of my colleagues, of the work you are undertaking today - of whose usefulness I am sure, and for whose success I earnestly wish.