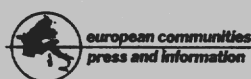


TRADE UNION NEWS

from the European Community

No 4 Summer 1970



**European Communities
Press and Information Office
23 Chesham Street
London SW1**

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THE TRADE-UNION MOVEMENT IN THE NETHERLANDS

There were 3.7 million wage-earners in the Netherlands as of 1 November 1968 out of 12.8 million inhabitants. 1,500,000 workers, or about 40% of the wage-earners, were members of a trade union.

The three recognized central trade union organizations are the Nederlands Verbond van Vakverenigingen - NVV (Dutch Federation of Trade Unions) with 556,117 members, the Nederlands Katholiek Vakverbond - NKV (Dutch Catholic Federation of Trade Unions), with 425,567 members, and the Christelijk Nationaal Vakverbond - CNV (Christian National Federation of Trade Unions) with 240,106 members (figures for 1 July 1968).

There are in addition a number of organizations for particular categories of workers, not affiliated to any recognized central body. Altogether these organizations had about 300,000 members as of 1 January 1968.

Dutch workers began to organize only towards the end of the 19th Century. The trade-union movement therefore developed later than in some European countries. The country's economic growth was very slow at the time, and the physical and material condition of the workers was particularly deplorable. Anti-combination laws prevented workers and employers from getting together, and working conditions were unilaterally determined.

BIRTH OF THE TRADE-UNION MOVEMENT

Even before combination ceased to be an offence (1872), a few workers' organizations had already made their appearance. The first to be established, in 1864, was the Dutch section of the International Workers' Association (the First International). But the first real national union was that of the printing workers, founded in 1866. This organization later adhered to the Algemeen Nederlands Werkliedenverbond (General Federation of Dutch Workers) established in 1871, which, bringing together other national and local unions, became the first Dutch central body.

Following a decision of the Second International established in Paris in 1889, the Nationaal Arbeids Secretariaat - NAS (National Labour Secretariat) was set up in 1893 to co-ordinate the activity of the political groups and the trade unions.

The Social Democrats or "parliamentarists", uniting in 1894 in the Sociaal Democratische Arbeiderspartij (Social Democratic Workers' Party), were opposed to anarcho-syndicalist doctrines and looked to political action for major results. In their view, local trade union organizations should become so many branches of a powerful national body, and give up their

independence. But when in 1897 the NAS became a real central organization it was inspired by the trade unions rather than the parliamentarists. The leaders stood out in favour of direct action by the workers, a system of revolutionary strikes and spontaneous solidarity to finance them; they rejected parliamentary action and the employment of paid staff. However, the strike-at-any-cost tactics led to a series of failures and reactivated the conflict between Anarchists and Social Democrats.

Disillusioned, many workers left the NAS. The crisis in the trade-union movement came to a head in 1903, when it found itself in complete disarray after the railwaymen's strikes in January and April of that year. At the beginning of 1905, the executive of the Dutch diamond workers' union called on the workers to co-operate in an effective and organized manner. Some thirty unions, meeting on 25 February 1905, answered that call. On 30 July, they founded the Nederlands Verbond van Vakverenigingen - NVV (Dutch Federation of Trade Unions), which began its activity on 1 January 1906.

The Christian Trade-Union Movement

1871 also saw the founding of the Protestant National Workers' Association which brought together not only workers, but employers as well, and set out to defend the interests of the working class by appealing to Christian teaching. And in 1877 the Federation of Christian Social Workers, known as "Patrimonium", was founded, which again brought workers and employers together. At the first Christian Social congress in 1891, divisions according to spheres of activity were established within the organization. But one could not speak as yet of a real central trade union organization.

Then, in May 1909, the Christelijk Nationaal Vakverbond - CNV (Christian National Federation of Trade Unions) was established. Based on Christian principles, it rejected the class struggle. At the outset, the CNV was inter-denominational; Protestants and Catholics were members of the executive. The position was the same in a few industrial federations, such as "Unitas", which brought textile workers together.

In 1906, however, the Dutch Catholic bishops had already expressed the wish that members of the Catholic Church "should come together in Catholic organizations". In 1912, Catholics were forbidden to be members of "Unitas". The CNV, which remained inter-denominational in theory, became in fact a Protestant central trade union organization.

At the time of its foundation in 1909, the CNV had 6,452 members; in 1940, at the outbreak of the Second World War, there were over 120,000.

The Roman Catholic Trade-Union Movement

The organization of Catholic workers in trade unions came only some years after the birth of the General Federation of Dutch Workers and of the Protestant workers' organization.

Pope Leo XIII's encyclical, *Rerum Novarum*, issued in 1891, condemned the class struggle which the Socialists preached; private property was to remain intact. But the encyclical also stressed the need to establish Catholic organizations. It made a decisive contribution to the development of the Catholic workers' movement whose executive, set up in 1909, supervised ten unions with a total of 9,000 members.

The independence of the Catholic trade-union movement was recognized for the first time in 1916, when the bishops decided that the general interests of the workers should be taken in hand by industrial bodies, and that the special interests of workers in each sphere of activity should be defended by trade unions.

In October 1924 the bishops approved the establishment of the Rooms-Katholiek Werkliedenverbond - RKWV (Roman Catholic Workers' Federation), which brought together trade and diocesan unions. The Federation was highly successful. Whereas it had a little over 107,000 members at the outset, there were nearly 210,000 just before the Second World War.

DEVELOPMENTS AFTER 1906

From its foundation the NVV had based its organization on three principles: national unions run by paid administrators, high affiliation dues and substantial strike funds. The logical application of these principles and the firm attitude of the leaders seemingly influenced the workers, who were increasingly alienated from the NAS. At the outbreak of the First World War in 1914, the NVV had 80,000 members and the NAS scarcely 10,000. It is true that, after 1918, the number of NAS members increased, reaching 50,000 in 1920, but it was clear that the part played by the National Labour Secretariat was at an end.

It became increasingly clear that the NVV and the denominational trade-union movement, represented by the RKWV and the CNV, were faced with the same problems, and the need to make contacts and work together became more evident. Thus it was that, in 1933, a common campaign was undertaken to improve employment opportunities. In 1938 the members of the NVV committees and their colleagues in the Catholic and Protestant associations got together to draft common collective bargaining agreements.

A distinctive feature of the period from 1906 to 1940 was the increasing importance of the trade-union movement to Dutch workers. By representing and defending workers' interests, the trade-union movement was able to assert itself increasingly over the years. Under its influence laws were passed, of

tremendous importance for the workers and their place in society. The worker was increasingly recognized as a human being and as a citizen, and the trade unions made a major contribution to this "integration" into society.

The years between 1930 and 1940 were also particularly difficult for the trade-union movement. The economic crisis which shook the world, and which did not spare the Netherlands, brought about massive unemployment which, at its worst, made 500,000 workers and their families destitute.

On 10 May 1940 the Netherlands were involved in the Second World War and occupied by Nazi Germany. On 16 July the NVV was placed under the authority of the National Socialist, Woudenberg. On 30 April 1942 he was entrusted with the leadership of the Nederlands Arbeids Front - NAF (Dutch National Labour Front), which replaced the NVV by decree of Dr Seyss-Inquart, Reichs-Kommissar for the occupied territory of the Netherlands. The intervention of the German forces had thus brought the activity of the free trade-union movement to a temporary close.

DEVELOPMENTS AFTER 1945

Already under the German occupation, the NVV, RKWV(1) and CNV leaders had been meeting in secret to discuss the building up of the trade-union movement after the war. Any rivalry between the central bodies in the post-war period could only harm the defence of workers' interests. Clandestine contacts based on this principle, and established between the leaders of the central organizations, brought about the decision that, after the war, they should co-operate extensively in the economic and social field. A set of "Rules for Co-operation" was drawn up and adopted for the organization of joint action by the central bodies and by their affiliated unions at national and local level. A rule standardizing dues was also accepted, so as to avoid inter-union poaching.

A co-ordinating structure for the three central organizations, known as the "Council of Central Trade Union Organizations", was made publicly known on 5 May 1945, the day on which the Netherlands were freed from German occupation.

But, in 1954, a directive from the Catholic bishops ended the co-operation that had been built up within the framework of the new Council. Under penalty of being excluded from the sacraments, Catholics were forbidden by this pastoral letter to belong to a trade union affiliated to the Socialist

(1) the RKWV changed its name to the Katholieke Arbeidersbeweging - KAB (Catholic Workers Movement) after the war, and later still to the Nederlands Katholiek Vakverbond - NKV (Dutch Catholic Federation of Trade Unions).

NVV. This letter led the NVV to leave the Council, despite the worthwhile results which had been made possible by this co-operation.

The Overlegorgaan (Co-ordinating Body)

After confidential discussions between the Dutch Catholic Hierarchy and the NVV in 1957 (the interdiction on membership of the NVV was not to be lifted by the bishops until September 1965) co-operation between the three central bodies was re-established in 1958. This involved regular consultation, but only at the level of the national leaders of the three central bodies, and excluded the various affiliated federations. The name Overlegorgaan (Co-ordinating Body) replaced that of "Council of Central Trade Union Organizations".

The Overlegorgaan, which still exists today, consists of the Chairmen and Secretaries-General, along with one member of the Executive Committee of each central organization. It meets regularly, and sets up committees to look into particular questions. Co-operation between the central organizations is growing closer all the time, and on vital social and economic problems it is almost always possible to reach an agreement.

One effect of co-operation between the three central bodies being restored was that in 1963 the NVV and the KAB(1) published a programme for joint action on many social, economic and other problems. Although it was intended at the outset that the CNV should also be involved in working out this programme, that body put forward its own programme. But, a year later, the three central bodies combined to publish jointly a report on "access to property through the sharing by workers in the assets of firms" and in February 1967, the three central bodies decided to publish a new joint action programme.

It should be noted that the three union federations reorganized themselves on industrial lines after 1945, and today the NVV has 15 affiliated unions, and the NKV and CNV 25 and 24 respectively. All three are highly centralized, the powers of the federations over the affiliates being much greater than is the case in Britain.

A Fourth Central Organization

In 1945 the Eenheids Vakcentrale - EVC (United Trade Union Organization) was set up, to which were affiliated many workers who hoped to achieve the establishment of a unified trade-union movement through this body. Among them were former NAS members and the Communists. Despite their nominal commitment to unity, the latter nevertheless tried to win the EVC over to their policy. The EVC was thus unable to join in the common policy of the other central organizations, whose goal was the rapid restoration of the Dutch economy, and it proved its intentions by organizing a number of strikes, some of which had political undertones.

After the bloody repression of the Hungarian revolt in 1956 the NVV declared once again that there was no room for Communists in its ranks. A few years later, the EVC attracted scarcely anyone; it had no further value as a tool of the Communist party, and the organization was dissolved.

Another development was the establishment in 1948 of the Nederlandse Vakcentrale (Dutch Central Trade Union Organization). Originally between 10,000 and 20,000 workers were affiliated to this central body, now known as Federatie van Werknemersorganisaties (Federation of Workers' Organizations) to which are affiliated a number of trade unions organized by spheres of activity. It is only quite recently that this central organization has begun to attract more members, especially in the supervisory and management grades.

PROGRESS TOWARDS INTEGRATION

The integration of the trade-union movement in society continued apace, especially after 1945. The Second World War provided the occasion for the development of this process.

The Labour Foundation

Apart from clandestine contacts between representatives of the three central trade union organizations, discussions were held regularly between these last and the employers' national organizations, regarding the urgent questions that had to be tackled immediately after the liberation of the country. An effort was being made to achieve a form of co-operation that would encourage a good social relationship. A decision was taken to set up, for that purpose, a permanent body whose existence was made known to the Dutch people on 19 May 1945 under the name of Stichting van de Arbeid (Labour Foundation) and which comprised, on a basis of equal representation, not only the three central trade union organizations but also all the major organizations of employers in industry, of the middle classes and of the farming community.

The Foundation is the most significant and highest-ranking private institution in the organization of Dutch working life; it is the sign of exceptional co-operation, by European standards, between workers' and employers' organizations. The office of Chairman of the Foundation devolves in turn on a representative of the employers and of the workers.

The objectives of the Foundation were to bring about regular consultation between employers and workers, to act as a mediator between them and the public authorities, to give advice and make its views known and to promote social justice, order, calm and peace. The Foundation was recognized by the Government as a consultative body for social questions.

When the Economic and Social Council was set up in 1950 (see below), a significant part of the functions of the Labour Foundation was taken up by this new public body. Nevertheless, it can still be said that the Foundation made a major contribution to the rapid recovery of the Dutch economy, disrupted by the German occupation. From 1945 to 1962 the Foundation was active as a consultative organ of the College van Rijksbemiddelaars (College of State Mediators), which consisted of legal and other experts appointed by the Government, and whose task was to ratify all collective bargains worked out in consultations between employers and workers. Before it could take a decision, the College of Mediators was required to seek the advice of the Labour Foundation.

The College of Mediators functioned in this way until 1963. The many changes that took place thereafter led to the re-establishment, on 1 January 1968, of a free policy as regards wages. Under this new system the Labour Foundation may be considered as the body that formally ratifies, through its Wages Commission, collective working agreements or wage settlements made between employers and workers. The Minister of Social Affairs, however, reserves the right to veto an agreed wage increase, in the three weeks following on ratification, if he considers that this increase would endanger the national economy.

The Economic and Social Council

The note drafted by the central trade union organizations during the years of occupation (1940-45) included a plea for the establishment of public industrial relations bodies. The manifesto which gave official status to the Labour Foundation, on 17 May 1945, also mentioned an agreement regarding the public organization of the economy: employers and trade unionists felt it desirable to provide for extensive representation of the workers' movement within a national economic council which would assist the Government; they also called for a number of subsidiary public bodies in this field.

In December 1945 the Government tabled a draft law on the organization of the economy. This envisaged the creation of central bodies in which representatives of the public authorities, of employers and of workers, would take part to make general regulations applicable to the various spheres of activity, social as well as economic.

The law on the organization of the economy came into force in mid-February 1950, and with it the Sociaal-Economische Raad - SER (Economic and Social Council). This body consists of 45 members: 15 government nominees, 15 employers' representatives and 15 representatives of the three recognized central trade union organizations. The Chairman is appointed by the government. One of the most important tasks of the Economic and Social Council is to give advice to the Government, at

the latter's request or of its own accord. Since the abandonment of the differentiated wages policy in 1962, the Economic and Social Council, in addition to giving *ad hoc* advice on particular questions, presents advice to the Government every six months regarding immediate possibilities for the improvement of working conditions.

This "six-monthly socio-economic weather forecast" is drafted on the basis of predictions by the Centraal Planbureau - CPB (Central Planning Office) which comes under the Minister for Economic Affairs.

It is a further responsibility of the Economic and Social Council to give its advice to the Government on all economic and social measures under consideration by the latter.

"Produktschappen" and "bedrijfschappen"

In addition to the Economic and Social Council, the law on the organization of the economy also set up produktschappen and bedrijfschappen which bring employers and workers together on a basis of equal representation. Produktschappen (vertical organizations) are public bodies set up for two or more groups of firms which, within the national economy, have different functions, in connection with a given product or group of products (e.g. wheat, flour, bread).

Bedrijfschappen (horizontal organizations) bring together all firms in a given industrial sector (e.g. the meat trade, the shoe industry).

"Integration" has also been swift in the field of social security. Thus, trade union representatives have taken their seat on the Social Security Council, on the Social Insurance Bank, on the Sickness Benefit Fund Council and on the General Unemployment Insurance Fund. Dutch workers have thus obtained the benefit of a social status protected by many legal guarantees.

International "Integration"

The Dutch trade-union movement does not act on the national plane alone; it also plays a part abroad. Trade unionism has always, by reason of its very purpose, encouraged international co-operation. It welcomed the establishment of the European Economic Community. It gives its full backing to the achievement of the EEC's objectives, though in the last few years it has several times had occasion to issue warnings in the face of certain developments that could have been detrimental to the workers of the six countries. But the trade-union movement regards economic integration within the EEC as a major factor contributing to a rapid increase in well-being. The Dutch unions thus continue to make a positive but not uncritical contribution to the growth of the Community.

This internationalism also shows itself on a world plane. Thus the trade-union movement is always represented in the delegation which attends the annual General Assembly of the United Nations in New York, as well as at the annual Assembly of the International Labour Organization in Geneva. It is also represented at the Organization for Economic Co-operation and Development (OECD).

Finally, the Dutch trade-union movement is involved in various international bodies, such as the International Confederation of Free Trade Unions, to which the NVV is affiliated, and the World Federation of Labour, to which the NKV and the CNV belong. The ICFTU has a European Regional Organization, and the six central trade union organizations of the EEC member states have together established a European Confederation of Free Trade Unions.

The World Labour Confederation also has a European section which defends workers' interests in the six member states of the EEC.

CONCLUSION

The position of the trade-union movement has radically altered in little more than half a century; this change may be compared to a social revolution implying the development of a new system of law. The trade-union movement is not an end in itself; it has the right to exist only in so far as it assumes a positive function, serving social progress by bringing about material and moral improvements in the condition of the group which it represents.

The Dutch trade-union movement no longer has the establishment of collective bargaining agreements as its sole purpose; it also attaches a great deal of importance to a structural employment policy based on the economic situation, to equal pay for men and women, to prices policy, to the provision of housing. Trade unionism places a high value on good public health organization, co-partnership in economic decisions, the right to strike, the reduction of working hours and the defence of consumers' interests.

The trade-union movement is not complacent on the results already achieved. It has become a pillar of the social structure, but, at the same time, it remains a movement that challenges the established order. The fuel known as "discontent" is plentifully available to keep the engine of progress running. One of the most important tasks of the trade-union movement is to give a positive direction that unrest.

WORKER PARTICIPATION IN THE EUROPEAN COMPANY

New Commission proposal

Workers will get one third of the seats on the Supervisory Boards of companies registered under the planned European company law, if the proposal agreed by the European Commission on June 24 is adopted by the Council of Ministers of the Six. Provision is also made for a European works council and for European Community-level collective agreements.

Why a European company?

Discussion on the need for a European company law goes back many years, and the need has long been recognized for steps to help companies to operate on a Community-wide basis if the full benefits of economic integration are to be forthcoming. It is true of course that many companies already do this even under the six sets of national company law, by means of share-holdings in companies in other countries, subsidiaries abroad and so on, despite the legal, fiscal and administrative barriers involved.

But it is also true that the companies which have probably benefited most to date from the existence of the Community are the existing major multi-national firms, some European but many of them American-based, which are already used to operating on a trans-national basis. The majority of European firms, particularly the smaller and medium-sized ones, although they may have a substantial export trade, still operate essentially within a national framework. The Commission therefore feels that it is necessary not just to eliminate the barriers to cross-frontier operations, but positively to encourage them. And its new proposals are designed to do this.

The Commission does not feel that the harmonization of national legislation will be sufficient to achieve this. Under such harmonized laws, a Belgian and a French company (for example) wishing to undertake a cross-frontier merger would be faced with two possibilities: to effect a complete merger and form a new company registered under either Belgian or French law (which has great psychological and political disadvantages as it looks more like a take-over than a merger of equals); or to accept an arrangement falling short of complete integration. Consequently the Commission proposes that certain types of company undertaking cross-frontier operations should be able to opt for a European status, while others - in fact the majority - would remain registered under the national company laws of the member states. This does not mean, however, that the Community will not continue its work on the harmonization of national company laws. This is seen as essential in any case if conditions of fair competition are to exist throughout the six countries.

How it will work

In order to keep the system as simple as possible the Commission proposes that only joint-stock companies should be entitled to register under the European statutes, but the Commission points out that in practice it is very easy for companies registered under a different form under their national legislation to change this. European registration would then be available for joint-stock companies resulting from:

- (a) a cross-frontier merger involving companies with their headquarters in two or more EEC countries;
- (b) the establishment of joint holding companies by companies based in two or more EEC countries;
- (c) the establishment of joint subsidiaries by companies based in two or more EEC countries.

The minimum capital required of the European company would be \$500,000 for mergers or holding companies, and \$250,000 for joint subsidiaries. This has been set at a fairly low level so that not only the largest firms will be able to take advantage of the new system. The registered offices of the company would have, of course, to be in the Community, and the majority of the members of its directors would have to be Community nationals.

The new companies will be under the judicial control of the Court of Justice of the European Communities. The Court will keep the European register of companies, though for registration purposes there will be branch offices in each member country. The shares of the new European companies would be eligible for trading on stock exchanges throughout the Community, and the company would be able to establish its headquarters in any one or more countries. For tax purposes the new companies would be considered as based in the country from which they were actually managed and taxed under the laws of that country (though the Community is moving towards the harmonization of company taxation).

Workers' role

As noted in Trade Union News No. 3 (p.34) the trade unions of the Six have pressed hard for effective worker participation in the European company, and the Commission consulted both sides of industry before drawing up its proposal. Inevitably, the final proposal reflects the total divergence of view of the unions and employers by being a compromise between the two. Nevertheless, the new proposals would involve quite revolutionary changes in the basis of labour relations in all six countries except Germany.

The system envisaged is similar to the system of "simple co-determination" which covers much of West German industry, though (to the unions' regret) it does not go as far as the

"qualified co-determination" system under which German coal and steel companies operate (see Trade Union News No.2, pp.8-11).

Firstly, a European works council will have to be established, comprising representatives elected by the workers in all the company's plants in the European Community. This works' council will have a veto on management decisions in the following fields: the principles governing recruitment, careers, dismissals and industrial training; industrial health and safety; social and welfare facilities; methods of wage payment; daily working hours; holiday schedules. In addition, the works council will have the right to full information on company affairs. So as not to conflict with the rights and powers of local works councils, the European works council's powers will be limited to matters that concern the whole of the company or several of its plants.

Secondly, the European company will have the three-tier legal structure found in Germany: a board of directors, a supervisory board, and a shareholders' AGM. At least one third of the members of the supervisory board, which appoints and supervises the board of directors, must be worker representatives, the others being elected by the AGM. However, the workers can decide against being represented by a 2/3 majority vote of all workers in the company. The worker representatives are to be elected by members of the national works committees, on the basis of nominations which can come from the national works councils, the European works council, the workers in the company and the trade unions represented in the company. Depending on the size of the supervisory board, either at least one or at least two worker representatives must not be on the company's pay-roll. These places are obviously most likely to be filled by trade union officials, or perhaps by lawyers or accountants who have the workers' confidence. The supervisory board is also obliged, when appointing the board of directors - even if the work-force has decided it does not want to be represented - to make one of its members specifically responsible for personnel and labour relations.

The proposals fall short then of union demands, but would nevertheless introduce totally new concepts in labour relations to companies operating in five of the six countries.

Thirdly, the Commission envisages that working conditions (apart from the matters which can be settled through the works council), and in particular wages, should be the subject of joint Community-level collective bargaining between the company and the various national unions represented in its different plants. Following normal practice in the six countries, agreements so negotiated would be binding.

The plan to put worker representatives on the supervisory board is by far the most controversial element in the new proposals. The Commission and the unions are now waiting to see the reactions of the five governments for whom it will mean a major innovation.

EUROPEAN SOCIAL FUND TO BE EXPANDED

The six governments have now agreed that the European Social Fund must be reformed and expanded. Meeting in the Council of Ministers, in Brussels, on July 27, the six Ministers responsible for social affairs reached an outline agreement on the new rules. Instead of simply re-imbursing 50% of the member states' expenditure on approved schemes, as in the past, the Fund, which is administered by the Commission, will in future be able to play a much more active and flexible role, and it will be able to act before redundancy occurs instead of only afterwards. The Fund will be empowered to finance schemes under two separate headings: (A) in order to help workers whose jobs may be threatened as a direct result of the implementation of the Community's policies; and (B) to help workers who are unemployed or likely to become unemployed for reasons not directly linked with the Community's activities. It was originally envisaged that the Fund would operate only under heading A, but heading B has been added, particularly on the insistence of the Italian Minister, and it is now agreed that for the first five years of the new Fund's operation at least 50% of its resources will be spent under heading B.

The European Social Fund was established by the EEC Treaty to provide finance for retraining and resettling redundant workers, and since 1958 it has spent some \$117 million, matched by an equal amount from the member states. But the Commission has felt for some time that the Fund's rules were too restrictive and its resources too limited to allow it to play a really major role in easing the way to industrial rationalization. Consequently it put forward in May 1969 major proposals for the reform of the Fund (see Trade Union News No. 1, p.15).

General agreement on the new rules for the Fund having been reached, these will now be put into legal form and adopted by the Council in the Autumn. The Commission will then have to make detailed proposals on how the Fund will be administered.

The only possibly difficult point which was not dealt with by the July meeting was the sums of money to be spent. The table below shows that in the ten years of the Fund's operation a total of over \$117 million have been spent, by far the largest part being on retraining almost half a million workers. This amounts to an average of \$240 per retrained worker. But these average figures hide the fact that even under the existing rules Fund aid has already increased dramatically in recent years. Thus the Fund paid out \$14 million in 1967, \$26 million in 1968 and \$36.5 million in 1969. The increase is however due to the great increase in the number of workers helped. The sum spent per head remains about the same. The Commission wants the Fund's resources expanded greatly - initially to \$50 million per year, rising gradually to \$250 million. The Commission estimates that 120,000 to 150,000 persons will need retraining each year, and a budget of \$250 million would enable the Fund to spend some \$2,000 per head (to which must be added of course a further \$2,000 to be provided by the member government concerned).

Union attitude

As reported in Trade Union No. 3 (p.31) the unions of the Six want a larger role for the two sides of industry in running the Fund. In June the ECFTUC issued a statement urging that the new Fund should be controlled by the proposed tripartite Permanent Employment Committee (unions, employers and governments. See p.22) and its detailed administration done by a special Management Committee chosen from among the members of the Employment Committee. At the moment of course the Fund is administered by the Commission, and it does not appear likely that the Ministers will be prepared to accept the full union demand, though they did stress at the July meeting that the two sides of industry would have in some way to be more closely associated with the Fund.

It is thought that the new European Social Fund will be in a position to begin its operations in late 1971.

Aid from the European Social Fund, 1960-69(1)

	Retraining		Resettlement		Total	
	Amount (\$ million)	No. of workers	Amount (\$ million)	No. of workers	Amount (\$ million)	No. of workers
Ger.	31.54	63,760	2.23	237,409	33.77	301,069
Bel.	4.91	9,063	0.002	13	4.91	9,076
Fr.	22.57	34,002	1.55	91,301	24.11	125,303
It.	42.48	346,175	4.17	340,196	46.53	686,367
Lux.	0.01	96	-	-	0.01	96
Neth.	7.49	12,032	0.39	231	7.50	12,263
EEC	109.03	465,028	7.82	705,046	116.85	1,134,074

(1) NB. to these figures must be added an equal sum paid out by the member government concerned. It should also be noted that the ECSC Readaption Fund also provides finance for retraining and resettling miners and steelworkers (see Trade Union News No. 3, pp. 14-17)

SLOW PROGRESS ON EQUAL PAY

The Commission's latest report shows that at the end of 1968 equal pay had still not been fully achieved in the Community, though progress towards it had been made, to varying degrees, in each country. The problem is not that the six countries lack legislation on the subject, but that it has not been fully enforced. The Commission complains that in many sectors collective agreements including equal pay provisions do not exist, that some agreements still involve a positive discrimination against women workers, and that discriminatory job classification is a major obstacle. It calls on unions, employers' organizations and governments to take effective action to translate the legal situation into practical reality.

The EEC treaty calls for equal pay for women (Article 119), and in December 1961 the six governments committed themselves to a programme of progressive equalization by the end of 1964 and undertook to report regularly to the Commission on the extent to which this had been achieved. The 1964 deadline was not met, but the Commission has continued to issue a two-yearly report.

The table below shows that in October 1966 (the latest detailed breakdown) women's average hourly wages were still considerably lower than men's, varying from 24.8% lower in Italy to 45.5% in Luxembourg. (The equivalent figure for the UK in October 1969 was 61.4%). In most of the six countries the inequality is most marked among skilled workers. The table also makes it clear that a much lower proportion of women than men gain "skilled worker" status.

Textile industry: The report makes a detailed study of the textile industry, as being representative of a sector in which large numbers of women are employed. Women workers amount to well over half the textile work-force in the Community, compared with about one quarter for all manufacturing industry. The proportion of skilled women workers in textiles is higher than in any other sector, and the wage inequalities smaller, though still substantial (ranging from 17% lower in France to 38.5% lower in the Netherlands).

The Commission hopes to be able in the future to carry out similar detailed studies regarding white-collar workers in industry and the retailing and services sectors.

Differences in status and wages between men and women in manufacturing industry

	Distribution of workers					% difference female & male wage(1)
	All (as % of all workers)	Men	Women	Men as % of men	Women as % of women	
<u>Belgium</u>						
Skilled	31.4	27.3	4.1	36.7	16.0	- 33.2
Semi	29.0	22.2	6.8	29.9	26.4	- 28.7
Unskilled	25.3	17.1	8.2	23.0	32.0	- 25.0
Other	14.3	7.7	6.6	10.4	25.6	- 17.7
All	100	74.2	25.8	100	100	- 31.9
<u>Germany</u>						
Skilled	36.3	34.7	1.6	49.3	5.3	- 26.8
Semi	36.5	24.2	12.3	34.4	41.3	- 25.6
Unskilled	19.7	7.3	12.4	10.4	41.7	- 21.8
Other	7.6	4.2	3.5	5.9	11.7	- 25.9
All	100	70.3	29.7	100	100	- 30.3
<u>France</u>						
Skilled	35.4	31.7	3.6	44.9	12.4	- 25.8
Semi	36.5	23.4	13.1	33.1	44.5	- 19.4
Unskilled	27.4	15.0	12.3	21.4	42.1	- 15.6
Other	0.7	0.4	0.3	0.6	1.0	- 18.1
All	100	70.7	29.3	100	100	- 27.5
<u>Italy</u>						
Skilled	36.3	30.7	5.6	44.3	18.2	- 29.4
Semi	37.6	25.5	12.2	36.7	39.2	- 24.0
Unskilled	26.1	13.2	12.9	19.0	42.1	- 9.1
All	100	69.4	30.6	100	100	- 24.8
<u>Lux.</u>						
Skilled	32.8	32.6	0.2	34.5	3.8	- 47.0
Semi	29.1	27.5	1.6	29.2	26.7	- 27.7
Unskilled	30.6	28.0	2.6	29.8	43.7	- 44.3
Other	7.5	6.0	1.5	6.4	25.8	- 48.1
All	100	94.1	5.9	100	100	- 45.5
<u>Neth.</u>						
Skilled	34.0	32.0	2.0	38.5	12.0	- 40.1
Semi	38.2	31.0	7.3	37.2	43.3	- 39.9
Unskilled	19.4	14.4	5.0	17.3	29.9	- 31.3
Other	8.3	5.8	2.5	7.0	14.8	- 7.7
All	100	83.2	16.8	100	100	- 39.3

(1) Average hourly wage. The % difference is calculated as follows:
male wage less female wage divided by male wage.

ADVANCED TECHNOLOGY: HOW EUROPE LAGS

The Commission has spelled out in statistics the weakness of Europe's advanced-technology industries compared with those of the United States.

In its memorandum calling for a Community industrial policy (summarized in Trade Union News No. 3) the Commission questions the adequacy of the present innovating capacity and industrial power of Europe's large nuclear, electronic, aviation and space-equipment industries. It warns that unless they achieve a "minimum threshold" of industrial, technical and financial power they are liable to make a loss or even collapse. In future, other sectors in turn may be similarly endangered.

To bring home the insufficient development of the Community's advanced-technology industries, the Commission points out that:

- in the aviation and space industries, the total turnover of American firms represented more than 13 times that of the Community's firms, and that the combined turnover of EEC firms was scarcely greater than that of British companies;
- in the vast field of electricity, electrical engineering and electronics, the six leading American firms in 1968 achieved a combined turnover of \$27,000 million, more than twice that of the nine principal Community firms (\$12,600 million). The five leading Japanese firms alone showed a turnover of almost \$8,000 million;
- although exact figures are not available on data-processing firms, it appears that in 1968 the total turnover of Community companies (excluding subsidiaries of American firms) did not exceed \$130 million, while that of the American firms amounted to \$8,750 million, or 67 times the Community figure;
- European efforts at technological co-operation lack homogeneity and any general collating of industrial methods and results. This, in the Commission's view, is the basic reason for the disappointments experienced. A study of the experiments attempted reveals that they were not organized according to the most rational financial and industrial techniques, nor according to rules of efficiency alone. Sponsors sought to promote specific projects rather than the development of strong industrial firms. Their efforts did little to encourage restructuring of firms, for whom they often proved dead-end undertakings.

Tendency still to buy national

Advanced-technology products, including those which stem from international co-operative schemes, have not benefited so far from the broader market which the development of the Community has created in other sectors. Orders for these products are almost entirely reserved, in each country, for its own industry if it has one. The chief reason for this is the

tendency of governments to try to ensure that domestic orders sustain their own country's firms.

According to the Commission, there is no real common market, free internal movement, or protection from foreign competition for advanced-technology goods. Support given on a national basis to leader industries has encouraged rather than offset the effects of this fencing-off of markets. The widening gap of competitiveness between Europe and the United States in this sector could, if not remedied, lead Western Europe to specialize in traditional rather than advanced-technology products, the Commission warns. In the long run this would endanger Europe's hopes of economic expansion and her technological independence.

To remedy this situation, the Commission proposes:

1. Community contracts for industrial development. The cost of developing a prototype Mach 3 bomber is over \$1,000 million; the development of fast breeder reactors will probably require \$2,000 million; the development of a large-capacity long-haul subsonic aircraft or an IBM-360 type of computer represents about \$1,000 million. It is becoming more difficult for individual countries of Western Europe to raise that amount of money. Co-operation is essential; it must be based on stable financing and must encourage the growth of competitive industrial structures. The Commission therefore proposes the award of Community industrial development contracts for the production of new plant or equipment which can be marketed and can be regarded as viable commercial propositions in the long run.

2. Common purchasing. To overcome the almost impenetrable hiving-off of national markets for advanced-technology products, purchasing policies should be concerted. This should cover enough sectors and an adequate volume of orders to be effective.

3. Common policies towards non-member countries. Co-operation with non-member countries is necessary and already takes place. But if Community states negotiate by ones or twos, they cannot defend their interests as effectively as if they were backed by Community solidarity: sometimes they even appear to be competing against one another towards non-member countries. A common policy for technological and industrial co-operation should therefore be urgently worked out, the Commission recommends.

● Economic and monetary union

A European money system by 1980. This was the ambitious goal accepted by the Economic and Finance Ministers of the Six, when they met at the June 8-9 session of the Council of Ministers.

The European Commission had put forward plans to this end in March (see Trade Union News No. 3, pp.28-29). The German and Luxembourg governments too made proposals, and a draft plan was also put forward by the DGB. So far Ministerial agreement has been reached on the need to start bringing the Six's economic and monetary policies into line and on the final aim of economic and monetary union. Discussions continue on how the aim is to be achieved, though it is certain that it will be on a gradual basis, and it is hoped that the first stage of this progress can begin on January 1, 1971.

The DGB proposals laid particular stress on the need to ensure economic growth and stability, full employment, and regional and social aids, and emphasized that the Community would have to become more supranational and democratic. This was also the major concern of all the ECFTUC unions who issued a statement in May. While welcoming the Commission's proposals in general, the unions demanded that they be completed by Community measures in the fields of employment, working conditions and social security. Harmonization must not be at the expense of social justice, they maintained, stressing in particular that tax harmonization should aim to make progressive direct taxation more widespread, and that the creation of a Community capital market should be accompanied by effective instruments to prevent tax evasion. As the Community moves towards economic union, the rights which the trade unions have won at the national level, must be respected at the Community level too. Finally, the unions urge the setting up immediately of a tripartite committee - unions, employers, governments - to meet and examine the effects of monetary and economic policy on labour and social policy.

\$2,000 million mutual aid: The Commission formally proposed to the Council of Ministers in June the creation of a \$2,000 million medium-term aid mechanism for countries in balance of payments difficulties. The help would normally be made available over two to five years. This proposal would complement the \$2,000 million short-term currency support arrangement which was put into effect earlier this year.

● New Standing Committee on Employment

Following the wishes expressed by the unions and employers' organizations at the tripartite employment conference held in Luxembourg on April 27-28 (see Trade Union News No. 3, pp.20-22), the Council of Ministers of Social Affairs agreed on May 26 that a permanent consultative committee should be set up to look into the employment situation in the Community and advise the Council and the Commission.

Though the details have still to be worked out, the Committee will comprise representatives of the Commission, the member governments and both sides of industry.

The European Confederation of Free Trade Unions in the Community issued a statement on May 27 welcoming this step which it saw as essential to implement the effective and just common employment policy which will be necessary as the Community progresses towards economic union.

● Protection of young workers

The Commission's first report on the protection of young workers was published in May 1970, based on information supplied by five of the governments up to the end of January 1969. The report shows that progress has been made in all five countries, though various aspects of the national legislation of each were still out of line.

In January 1967 the Commission sent a recommendation to the six member countries inviting them to strengthen and harmonize their national legislation in this field. The governments were asked to inform the Commission every two years of the progress made. The French government did not reply to the Commission's invitation since it had challenged certain aspects of the Commission's use of its powers (under Article 118 of the Treaty) to issue recommendations on social matters.

● Social security

In May the six Ministers of Social Affairs formally approved new arrangements for providing full social-security benefits to Community nationals working in another member country. An outline agreement had been reached in November 1969 (see Trade Union News No. 2, p.16). It is hoped that the necessary administrative arrangements can be made in time for the new rules to become effective early in 1971.

● Tachograph approved

On July 21 the Council of Ministers approved proposals on the use of the tachograph in road transport. This supplements the agreement on maximum permitted driving hours which came into force last year (see Trade Union News No. 3, p.38). The tachograph would replace the traditional log book as the method of checking driving and working hours and rest periods, and the Community authorities, backed by the transport unions of the Six, see it as a more certain way of ensuring that the new Community rules on maximum hours are respected by transport operators.

The new regulation will cover both goods and passenger transport. It will apply to all new vehicles, and to all vehicles carrying dangerous substances, as from April 1, 1975, and to all other commercial vehicles as from April 1, 1978. The necessary technical specifications are laid down in an appendix to the regulation, but do not limit users to one particular type of tachograph.

● Welfare costs in EEC levelling out

The cost of social security in the six member states is tending to level out in an upward direction, the Commission stated in February in reply to a written parliamentary question from Georges Spenale (French Socialist). In 1958 the member states devoted between 12.4 and 18.6 per cent of their gross national product to social security. In 1966, the two extremes were 18.7 and 20.7 per cent.

Although the social burdens imposed on companies varied from one member state to another, these disparities were corrected by differences in direct wages, so that the overall cost of labour did not vary so much from country to country, the Commission stated. It noted that while the Rome Treaty did not provide for harmonization of social security systems, standardization of social systems would prove necessary and possible as economic integration proceeded.

● Aids to miners' orphans

The Paul Finet Foundation was set by the old High Authority of the European Coal and Steel Community (which merged in 1967 with the Commissions of the European Economic Community and of Euratom) to provide grants to help miners' orphans continue their education after the school-leaving age. At its

meeting in May, the Board awarded 203 grants for the coming academic year. This brings the total number of awards to date to 1012, worth in all some £65,000.

Paul Finet was a member of the ECSC High Authority from 1952 till his death in 1965, and its President in 1958 and 1959. He was previously secretary-general of the Belgian free trade-union federation FGTB.

● Further fall in number of pitworkers

The number of pitworkers in Community coalmines last year fell by 25,800 to 244,800. In 1967 there were 322,500, and in 1952 there were 683,300 pitworkers. The reduction took place in all the member countries except Italy, where the number of coalminers rose to 900 from 800 at the end of 1968. But productivity per man-shift rose, on average, to 3,264 kilograms in December 1969, compared with 3,172 kg in December 1968 and an average of 2,827 kg in 1967. On average, labour productivity in Community coalmines rose by 7 per cent in 1969, and completely mechanized mines' share of total coal production increased to 83 per cent.

Number of miners (underground and surface) (in thousands)

	Ger.	Fr.	It.	Neth.	Belg.	EEC	UK
1968	200.1	116.6	1.4	18.7	46.3	383.2	318.7(1)
1955	502.5	204.5	6.5	47.2	141.4	902.2	694.5

(1) 1968/69

● Italian unions call for democratization of the Community

The two main Italian union federation - CISL (ICFTU-affiliated) and CGIL (affiliated to the Communist WFTU) - published a joint statement in June urging greater union co-ordination at the Community level. This is necessary, they stress, in order to protect their members' interest in the face of the political and economic power of the large monopolies, and to press for the further democratization of the Community's structure.

● Construction workers' European programme

The 1970 action programme of the International Federation of Christian Building and Woodworkers Unions calls on the Commission to associate the unions and employers' organizations more closely with its work in the social field. It calls for longer-term planning regarding production and manpower in the building industry, and the co-ordination of national building regulations. It urges the creation of a joint committee for the construction industry through which the two sides of industry would have a formal channel to the Commission through which their views could be pressed. Such committees already exist for the road transport, inland waterway transport, agriculture and fishing.

In reply to a parliamentary question the Commission stated in June that it hoped to be able to organize before the end of the year a special meeting with the two sides of the industry for a general exchange of information and views, and to discuss the possibilities of setting up a consultative committee.

● Transport unions urge harmonization

Progress towards a common transport policy for the Community has been slow, and many obstacles still exist to the free flow of traffic throughout the Community. The transport unions (ICFTU) of the Six underlined this in a joint statement issued in May 1970, and added that this lack of progress prevents the full harmonization of working conditions in the industry which they see as bringing great benefits to their members.

The Comité Syndical des Transports de la Communauté (ITF) demanded renewed and energetic steps to achieve a common policy, and called on the Ministers rapidly to adopt a detailed programme to this end, with a precise timetable. The Committee's statement denounced the fact that in some countries even the present limited degree of harmonization in the social field was not being fully implemented, and also criticized the efforts of the Council of Ministers to modify the regulation on permitted driving hours which has been in force since October 1969 (see Trade Union News No. 2, p.23 and Trade Union News No. 3, p.38). It demands that the regulation be implemented fully and that machinery to supervise its implementation (based on the Commission's proposals for a compulsory tachograph) be established rapidly.

The Committee also calls for harmonization of social legislation on rail and waterway transport, and for the creation of a joint committee for the railways, similar to those which already exist for road and waterway transport.

● Manufacturers call for uniform lorry sizes

The Automobile Manufacturers Liaison Committee of the EEC has for the first time asked the Commission to put forward legislation for the harmonization of weights and dimensions of lorries in the EEC. This Committee considers that current disparities between national legislation constitute a barrier to trade which has serious consequences for both the automobile and the road transport industries.

The Committee favours the adoption of containers of 40 feet in length and of a total loaded weight of 30 tons, a standard which has been defined by the International Standards Organization. This poses an acute problem for road transport vehicles in the EEC because standards enforced in certain member states are not uniform.

The automobile industry has asked the Commission to:

- fix a maximum total weight for all categories of vehicles, whether they are lorries and their trailers or articulated vehicles;
- authorize a maximum load per single axle of 13 metric tons, and in any case increase the present limit of certain member states (10 tons in Italy, Germany and the Netherlands);
- fix the length of articulated vehicles at 60 feet;
- limit maximum total weight to 46 metric tons. The Commission has suggested 38 tons.

This is the first time EEC vehicle makers have taken a joint stand on truck sizes and weights.

● European Trade Union Council for Energy

Meeting in Chinon, France, from June 29-July 2, 40 leaders of ICFTU and WCL unions active in the fuel and power industries agreed to set up a European Trade Union Council for Energy to enable maximum co-operation and co-ordination in this field. They demanded that an energy policy should be included in the Common Market's five-year economic programme, particularly with regard to manpower requirements, that full information be made available to them on all aspects of policy which affect the fuel and power sector, and urged the creation of a Community Energy Council bringing together both the unions and the employers.

● Public service unions discuss the Community

Senior representatives of most of the British public service unions attended a meeting in London in May, organized by the Public Services International and the European Communities London Press and Information Office, to discuss the general implications of joining the Common Market for their members. From the Community, Mr. François Vinck, the Commission's Director-General for Social Affairs, briefly described the Community's achievements in the social field and went on to outline the various ways in which public service employees in the Six were affected, directly and indirectly, by the existence of the Community.

● Christian metalworkers form European committee

Meeting in Brussels in May, the executive of the International Federation of Christian Metalworkers Unions decided to set up a special committee to deal with questions concerning the European Community, and called for joint action by the Christian and free trade unions to urge the European Commission to expand its trade-union information service.

● CFDT Congress

"The CFDT is convinced that the action it envisages must be extended to the European (as well as the national) level, seeking there the same fields for battle and pursuing the same objectives:- the building of a united, socialist, democratic Europe," says the resolution adopted at the annual congress of the CFDT (Confédération Française Démocratique du Travail), held at Issy-les-Moulineaux during the first two weeks of May. "... the CFDT intends to work for a new structure for European trade unions capable of preventing the development of a businessman's Europe". The resolution calls for the development of links and common actions between unions in the same industries in different countries; the pooling of means of action at the European level, and as far as is possible, the bringing together of trade union structures, between the ICFTU and WFL unions; regular concertation at the European level between the ICFTU, WFL and WFTU to support the unions in the dictatorship countries of Spain, Portugal and Greece; the working out of common actions with the unions in the developing countries.

Apart from reiterating the CFDT's commitment to European integration, the congress also saw the CFDT unions move still further away from their sectarian origins. The CFDT is the second largest French federation (after the Communist CGT), and is expanding the most rapidly. It seems to appeal more to young workers than the other federations, as 72% of

the 1,700 delegates at Issy-les Moulineaux were under 40 years old, and 26% were under 30. The main debate (of which the European resolution was a part) was on a new policy document which aimed at a society based on self-determination, social ownership of the means of production and distribution, and democratic planning. These would be only possible in a Socialist society. The report was approved by the congress by 12,812 votes to 5,028, with 1,956 abstentions.

● Belgian unions review their role

The Belgian federation FGTB is to hold a special congress in December to look into the whole question of the role of the unions in a changing society. It published a preliminary document in April which, it is hoped, will stimulate discussions not only within the unions, but generally.

The document lists the various factors which will determine the development of society and the place of the individual within it: high productivity, progressive urbanization, the further expansion of education, rapid development of new forms of transport and communication, increasing numbers of powerful international firms, etc. These factors may be good or bad, depending on the way they are controlled. But the FGTB is concerned that the present structure of society is not the right one to control them. It rejects the basis of that society: in particular, its system of values, based largely on the profit motive, with people reduced to being simply producers and consumers; its organization of effective power, in which the ordinary person has little say, and in which the increase in consumption hides but does not eliminate the opposition between those who "dominate", those who are "privileged" and those who are "manipulated"; and the priority it gives to economic expansion at the cost of the living environment.

The FGTB document maintains that society must be organized on the basis of scientific progress and planned economic expansion in the interests of the people. The special congress will discuss what should be the role of socialist trade unions in trying to achieve this new society. The paper stresses that the unions must think in European and not just national terms, so that Europe can become not only a better place to live in, but a force for peace in the world and a source of help to the less developed. It stresses also that this "Europe" must be as wide as possible, including as well as the Six and the countries likely to join them in the near future, also in the longer term countries like Greece and Spain and those of Eastern Europe, provided they accept that the European idea must imply democracy and a real respect for human rights.

● Cost of living trends

Percentage changes in cost of living indices

	1966	1967	1968	1969	1970 (forecast)
West Germany	+3,7	+1,7	+1,6	+2,6	+3,0
France	+2,7	+2,8	+4,5	+6,0	+4,5 (up to 5%)
Netherlands	+5,8	+3,4	+3,7	+7,6	+4,5 (up to 5%)
United Kingdom	+3,9	+2,5	+4,7	+5,5	+4,5 (up to 5%)
Switzerland	+6,4	+4,3	+1,9	+2,6	+3,5 (up to 4%)
Austria	+1,8	+4,5	+2,6	+3,0	+4,0
United States	+2,9	+2,8	+4,2	+5,4	+5,0
Japan	+5,1	+4,0	+5,4	+5,1	+6,0 (up to 6.5%)

For 1969, the reference period is January-November inclusive except for West Germany (whole year) and Italy (January-September). The 1970 figures are estimates from the West German Economic Research Institute. Other figures are from OECD. (The table is reproduced from "European Intelligence", April 23, 1970).

● OECD employment, productivity and GNP forecasts, 1975-1980(1)

	1975			1980		
	(A)	(B)	(C)	(A)	(B)	(C)
Belgium	103	123	126	106*	150*	158*
France	103*	130*	133*	106*	169*	179*
Germany	101	124*	125*	102*	154*	157*
Italy	104	126	131	108	159	172
Luxembourg	-	-	116	-	-	134
Netherlands	105	120	126	111	141	157
EEC	103	126	129	105	159	167
UK	99*	116*	115*	102*	133*	137*
USA	109	117	127	118	134	158

(1) A = employment, B = productivity, C = GNP

* estimates by OECD secretariat

Figures reproduced from "European Intelligence" May 28, 1970.

