

TRADE UNION NEWS

from the **European Community**

No 7 Winter 1971/72



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

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TRADE UNIONS IN LUXEMBOURG

With around 50% of wage earners and employees organized into trade unions, Luxembourg can claim on this count to be the second most unionized of the Six (ranking after Belgium). Like four of the others - Belgium, France, Holland and Italy - Luxembourg possesses more than one important trade union confederation. In contrast, though, to those countries, the biggest of Luxembourg's central organizations - the Confédération Générale du Travail - has Socialist tendencies. Although the Luxembourg Communist party - with its bastion in the southern mining areas - wins a higher share of the national vote than any other Western European Communist party apart from the Italian and French giants, it no longer has any separate trade union organization.

The Confédération Générale du Travail (CGT) has some 31,500 members - about 60% of all trade unionists. Of its seven constituent unions, two - the Fédération Nationale des Ouvriers du Luxembourg (LAV) and the Fédération Nationale des Cheminots, Travailleurs du Transport, Fonctionnaires et Employés luxembourgeois (FNCTTFEL) - are much the most important. In fact the absorption of the Communist-dominated Fédération des Syndicats Libres (FLA) into the CGT structure arose from it merging with the LAV in 1965-6. The formal objectives of the CGT comprise the transformation to a classless society based on social justice and in which labour is recognized as the basic factor in production. Prepared to fight for and defend immediate improvements in wages, the CGT nonetheless looks forward to a system securing for each person the fruit of his labour in accordance with both work and needs.

The Luxemburger Christlicher Gewerkschaftsbund (LCGB) possesses 11,000 members and as its name suggests its orientation is basically Christian. Despite the existence of a body of Social Christian doctrine, the programme of the LCGB tends to be rather less homogeneous than that of the CGT. Its aims tend to be short-term in nature and mainly concerned with improvements in the economic and social conditions of work - full employment, co-partnership and participation. The class struggle is rejected and the catechism is Christianity rather than the lay concept of social justice.

Finally there are two independent organizations which are in reality mid-way between white collar unions and professional associations. The Fédération des Employés Privés (FEP) is the larger and more important and it is specifically non-political and non-religious. Its aims are the safeguarding of professional interests of the private employee and major concerns have included the legal establishment of a forty-hour week, a revision of rules on apprenticeship and the establishment of works committees.

HISTORICAL BACKGROUND

The first developments in Luxembourg trade unionism date from the 1860s and they were agricultural in origin. However, after 1871 developments were impeded by fierce application of laws against association. Thenceforth and until 1900 unionism was craft oriented and generally confined to the capital. The industrial revolution in Canton Esch was more or less ignored. Concerned with defence of the traditional crafts, these unions fought their major battles against mechanisation. Paradoxically, of course, the modern movement owes its very origins to the pressures of industrialization and mechanization, although inflation and the first world war were to be important stimuli to growth. The harbinger was the establishment in 1916 of a union for miners (coal and iron-ore) and this was followed by unions of metal workers and textile workers. In 1917 a first general conference was held and the principle of co-operation was established. Two years later the CGT was established, the impetus for its existence arising largely from metal workers in both the mining and specifically metal unions.

The first peak year in Luxembourg trade unionism was 1920 when total membership stood at 26,000 and the movement was substantially united. However, the same year saw also the establishment at Utrecht of the International Christian Trade Union movement. Trade unionism in Luxembourg was further split by the creation of the Communist party. The high-water mark was clearly passed when the French army was used in effect to suppress a general strike by forcing workers out of factories they had occupied. Thereafter membership declined with the worsening economic conditions to reach a trough of only 10,000 at the depth of the great slump.

During this period the major pre-occupation of the movement continued to be the repeal of penal laws imposing severe restraints on any person or organization attempting strike action. 1936 saw the repeal of these laws, but not simply in a context of granting traditional demands. A National Council of Labour was established representing all parties in industry with the specific tasks of seeking to avoid and solve industrial conflicts. Whilst article 11 of the constitution gives full liberties to trade unions and this was formally interpreted in 1948 as including the right to strike, there is nonetheless a set procedure which must be followed. In practice, though, such considerations are hardly relevant to any contemporary assessment of the role and importance of the trade union movement. Today the Luxembourg trade unions have strongly entrenched positions in all the economic and social bodies - such as the economic and social council, the national labour office and the organs of social security - which play such a key role in administration.

Although Luxembourg has no single all-embracing trade union confederation on the German or British parallel, there is a great deal of co-operation in practice between the CGT and

LCGB. Dedication to Socialism or Christianity has not in practice prevented mutual co-operation for the achievement of important short-term union goals. Should ever there be any kind of merger between Western Europe's Socialist and Christian trade unions, it is not inconceivable that the way should be paved by developments in Luxembourg.

THE UNIONS AND EUROPE

Finally the trade union movement has been largely in support of movements towards a more united Western Europe. This was fairly natural for the LCGB, but in practice the attitude of the CGT has differed little. The Schumann Plan was welcomed as being likely to lead to increases in living standards as well as the elimination of armed conflicts. Whilst similar attitudes were expressed when the EEC was established, the CGT was later critical of developments which in its view were impeding the development of supranationalism. In particular it advocated direct elections to the European Parliament and direct trade union representation on Community executives.

Luxembourg's own economic future is necessarily more dependent on developments within the Community as a whole than may be the case with the larger members. Given these circumstances, the strongly European and internationalist attitudes of its unions are not surprising. In their attitudes and actions towards both internal and external problems Luxembourg's trade unions are likely to find both the demands for, and the rewards from, a united approach ever more apparent in the years ahead.

THE PUBLIC SECTOR IN THE EEC

In Britain public ownership of the means of production, distribution and control has been heatedly debated in this century. Throughout most of the European Economic Community there is widespread public ownership by national or local government - but little debate about it. It is usually accepted by everyone that it is essential for the state to own certain sectors, and public ownership extends into fields such as cars, chemicals and shipbuilding, and banking and insurance, where British Governments have been reluctant to intervene. The two best-known examples of "political" nationalization are probably the acquisition of the French railways by the Popular Front government in 1937, and of electricity supply by the Italian Centre-Left government in 1964. But these are exceptions rather than the rule.

The public services in all the countries concerned are overwhelmingly in public hands. The railways, main airlines and postal and telecommunication services are nationalized in the Six as in Britain, and the same is true of water, gas and electricity supply, and of the majority of ports and airports. Coal-mining is publicly owned in France. In manufacturing industry various household names are publicly owned too, in particular in France and Italy - Aérospatiale (BAC's partner in the Concorde project) and Renault in France; Alfa Romeo in Italy, and the IRI group with its extensive interests in a great number of industries. In Germany, Volkswagen, Europe's largest car manufacturer, is partly government-owned. The public sector plays a much larger role in the banking and financial services in most of the Six, than in Britain, above all in France where the country's three largest banks are all state-owned. But even in the other countries a much higher proportion of total bank and savings deposits are made with governmentally or municipally owned banks and agencies than in Britain.

BENELUX

Belgium has 8.0%, Netherlands 8.1% and Luxembourg 5.6% of their workers in public sector.

Belgian public undertakings employ 56% of all workers in electricity, gas and water services, 55% of those in transport and communications, and 13% in banking and insurance. Public enterprises produce nearly 6% of the gross national product, and are responsible for 13% of capital investment.

In the Netherlands gas, electricity and water supplies are 100% publicly owned as is 38% of the metal industry, 9% of chemicals, 46% of transport and communications, and 29% of banking.

Luxembourg's public sector accounts for 46% of banking and controls 60% of transport and communications, as well as 77% of energy and mining industries.

France

The pattern of public ownership is similar to that of Britain, although slightly more extensive, with 15% of the non-agricultural wages bill paid by public enterprises.

The public sector is strongly represented in fuel and power (90%), and in transport and communications (65%). French public enterprises have also deeply penetrated industry and commerce. Aircraft production (55%), motors (40%), chemicals (10%), banking (58%) and insurance (40%) are noteworthy, but the state is also very active in such spheres as tourism, films, petrol refining, and has a manufacturing and selling monopoly in cigarettes and matches. More than 27% of capital investment was carried out by public enterprises in 1969 (the year to which all the figures in this article relate unless otherwise stated).

An Industrial Development Institute was established in June 1970 to stimulate growth in key sectors of industry (on somewhat similar lines to Britain's former Industrial Reorganization Corporation). Large numbers of "Sociétés mixtes" with part private and part public capital, also play an important part in the French economy, and have been used in particular in such things as regional development projects.

Unlike the Boards that control public enterprises in Britain, those in France are made up of the representatives of the workforce, the consumers, and the government.

Germany

With about half of energy and mining and 73% of transport and communications in public hands, Germany has less public enterprise than the other two large EEC states, although the public sector still employs 1,600,000 and is responsible for 22% of the nation's investment. The provision and distribution of gas, water and electricity are, however, virtually a public monopoly. The Federal and *Land* governments are also represented in shipbuilding (35% of production), cars (31%)(1), chemicals (10%), non-ferrous metals (9%), iron smelting (6%) and banking (52% of deposits).

The German system ensures of course that there are worker representatives on the supervisory boards of not only publicly-owned corporations, but of all large private-sector companies too.

(1) Volkswagen AG. Only 36% of the shares are in fact publicly owned (shared between the Federal government and the Land government of Lower Saxony), but the company has a special statute which gives the public authority a majority of the votes at the AGM.

Italy

Through major public industries such as IRI (Istituto per la Ricostruzione) and ENI (Ente Nazionale Idrocarburi) 38% of the country's industrial capital is publicly owned.

Public enterprise accounts for 100% of the production of natural gas and electricity, 90% of gas, water and electricity as a whole, 100% of telecommunications, 97% of railways, 90% of shipbuilding, 60% of steel production, 95% of cast iron production, 90% of synthetic rubber, 40% of chemical fertilisers, 15% of cement, 11% of plastics, 12% of cars, 16% of merchant shipping, 60% of passenger ships, 99% of air services, 20% of refining and 25% of petrol distribution, as well as 55% of the banking and 25% of the insurance sectors.

Britain

It is very difficult to give precise comparisons for Britain, but it is clear that the proportion of public ownership in the public services and energy production is high in both Britain and the Six, but that in manufacturing and financial services in several present Community countries it is much more extensive (although the British government owns some 90% of crude steelmaking capacity (BSC), 100% of aero-engine capacity (Rolls Royce), a minority holding in ICL, Europe's biggest independent computer manufacturer, and a string of investments in engineering firms inherited from the now-defunct IRC).

The European Community

Within the six present EEC countries public ownership is thus found in all the forms established in Britain, and in some fields is much more extensive. The Treaty of Rome, and the Community institutions established by it, are not concerned with the matter of ownership. Any government remains free to nationalize or denationalize as it wishes. The test of this came in 1964. The Italian Centre-Left government had just nationalized electricity supply which was put in the hands of the Ente Nazionale per l'Energia Elettrica (ENEL). Costa, a private-sector company, took ENEL before the Italian courts with a claim that the nationalization infringed the Rome Treaty. The Italian court concerned requested an advisory opinion from the European Court of Justice which decided that the Community had now powers to intervene. The case was consequently dropped and ENEL of course still survives today.

Although the Community is not concerned with ownership, public as well as private-sector companies are subject to the rules of competition. This means that nationalized undertakings must be run on the same lines as a normal commercial company and may not abuse their special position with a view to undercutting competitors. But governments are allowed to give special concessions to nationalized (and private-sector) firms if this is justified for social or regional development

reasons, and provided the aid given is clearly visible and not used to subsidize other activities of the company. The Community has specifically said that it will not call in question either the ownership or the size of either the National Coal Board or the British Steel Corporation.

POLLUTION: A EUROPE FIT TO LIVE IN?

Pollution has no respect for frontiers. Anti-pollution measures necessarily have important economic and commercial implications. They are therefore par excellence a field for decision at an international level. The Commission set out in a memorandum addressed to the Council of Ministers in July 1971 a Community policy on the environment and a draft action programme. It intends in due course to enter into contact with the relevant authorities of the six member states and of the candidate countries. It will then be able to suggest concrete measures to be carried out by the Commission.

A Community programme

The following points are put forward for a Community environmental programme:

- Community measures to reduce or eliminate pollution risks for human health or well-being. The organization of a Community water and soil observation network; the setting-up of a common centre for precessing these observations. This will involve a coordinated research programme and the possibility of Community financial participation.
- The preservation and arrangement of the natural areas and resources and environment of the Community, especially in the context of regional policy; the promotion and planning of certain regions of general concern for the Community, e.g. the Rhine valley and the sea coast; and financial participation in the creation and operation of control and planning agencies for these regions.
- Enlistment of the cooperation of the member states in harmonizing and reinforcing control over individual observance of anti-pollution regulations; and on measures to deal with infringements.
- The contribution of financial aid for special regional or sectoral programmes to fight pollution.

- The creation of a European Environment Institute.
- Community participation in the work of international organizations working for the preservation of world natural resources and for the suppression of international trade barriers.

Priority action

Due to their urgency five priority actions should be started at once:

- The reduction of the concentration of some of the most dangerous polluting agents in the air (sulphur anhydrite, carbon dioxide, etc.) and in the water (phosphates, hydrocarbons, etc.).
- The reduction of the pollution caused by the use of certain commercial products and substances resulting from industrial production.
- The implementation of a coordinated research programme into polluting agents so as to establish criteria, indices and standards.
- The planning of open space and natural environment; the study of the Rhine basin in cooperation with experts and the relevant institutions; support by the Commission and work under its own initiative to check pollution of the Mediterranean and the North Sea.
- Basic studies to delineate and solve environmental problems (involving, for instance, an inventory of legislative, regulatory and administrative measures; the elimination of waste; estimates of the costs of fighting pollution, etc.).

Implementation of these priority measures should be accompanied by a greater degree of Commission participation in the work of international organizations and by Community cooperation with third countries.

The EEC context

The memorandum says that while one of the objectives of the EEC Treaty is the acceleration of the raising of living standards, the protection and improvement of the environment is just as important to this aim as a quantitative increase in the standard of living. The member states should now be ready to face up to the qualitative implication of technological progress; this means that there must be concern about the social cost of environmental degradation; that financial sacrifices for the war against pollution must be accepted; and that the present institutions must be

adapted so that they can tackle and resolve problems which often exceed the traditional political and economic framework.

However, measures such as those mentioned above carry with them the risk that certain sectors of industry and the economy could be penalized as against others less concerned about pollution or with other notions of how the financial burden of an anti-pollution campaign should be distributed. Assuming, then, that distortions of the market could arise it is urgent and imperative that measures should be taken within the framework of a single market set to develop into an economic union.

The memorandum calls for the elimination of the technical obstacles to trade arising from disparities between legal and administrative measures applying to products which inherently or by their use cause pollution. This can be achieved through applying EEC rules as regards the member countries; and, in certain cases, through international agreements between the Community and third countries.

Dealing with the use of land resources, the memorandum says that the expansion of industrial and agricultural activities, rising urban populations and the increasing use of land for pleasure and rest make it necessary to use land and natural resources rationally. They can no longer be regarded as free and unlimited in extent; they represent rare and valuable economic assets which must be protected and looked after.

Finally, it says that the pollution of such rivers as the Rhine, and the Mediterranean and Black Seas constitutes an immediate and urgent problem, which can only be effectively tackled through the exercise of common decisions as regards objectives, solutions and means.

(Reprinted from "European Community", September 1971)

● Go-ahead for new Social Fund

The new-style European Social Fund came into operation in January. It will help to retrain workers, resettle them and their families, provide unemployment allowances, and inform workers of vacancies. But the Fund's scope may be revised, according to experience gained.

Like the old Fund it replaces, it will spend its resources mainly in the Community's development regions, where the worst unemployment and redundancy problems exist. But both its resources and its field of action will be considerably extended. The Commission should have \$50 million at its disposal during 1972, but hopes that the figure will increase to \$250-300 million a year in two or three years' time.

Instead of acting as a relatively passive and inflexible "clearing house", financing half the cost of retraining and redeployment programmes initiated by the member governments, as happened in the past, the reformed Fund will play a more active role in retraining workers threatened with redundancy before their existing jobs actually disappear. From September 1960 to December 1970 over \$307 million had been spent, half contributed by the government concerned, on retraining 1,301,100 workers.

The Fund will be able to act in two separate ways:

- It will help workers whose jobs may be threatened as a direct result of continuing integration in the Community. It will cover the cost of retraining, plus in certain circumstances income support during retraining, and also of resettlement where necessary. The precise arrangements will be decided on an *ad hoc* basis by the Council;
- it will also, jointly with the government concerned, pay for retraining and resettlement in areas of structural unemployment not resulting directly from the Community's existence. The latter are at present found mainly in poorer areas, particularly in Southern Italy.

For the first five years of its operation, up to 50 per cent of the new Fund's resources will be spent on this second type of help. The principle of an incomes guarantee under this second section has been approved, though this part of the scheme will not come into operation straight away. The Council also agreed that the two sides of industry will in future be closely associated with the running of the Fund.

The general lines of the new Fund were accepted by the Council in July 1970. The Council on October 19, 1971, adopted the detailed implementing regulations so that the Fund could come into operation on January 1, 1972.

Any non profit-making bodies will be eligible for aid, but all requests to the Commission must come through member governments. The Commission can use some of the Fund's resources to carry out pilot schemes. It will act in liaison with the Social Fund Committee and the Standing Committee on Employment.

● Permanent Employment Committee

The reform of the European Social Fund and the employment situation in general were the principal items on the agenda of the 3rd meeting of the Community's Permanent Committee on Employment, which took place in Brussels on Tuesday, October 5. This Committee, which was set up as a result of the tripartite conference on employment in April 1969, brings together representatives of all major trade unions and employers' organizations in the Community, the six Ministers of Labour and the Commission. In the chair on this occasion was Mr. Carlo Donat Cattin, Italian Minister for Social Affairs, and the Commission was represented by Mr. Albert Coppé, the Commission member with special responsibility for social affairs.

The Committee, which is consultative, provides a forum for the exchange of views between unions, employers' organizations and governments on all matters affecting employment policy, and enables the unions and employers to make their views felt at Community level before decisions are taken by the Council of Ministers.

The morning session was devoted to discussion of the Commission's proposed implementing regulations to form a new European Social Fund. (See page 12).

In the afternoon there was a general discussion, based on a document presented by the Italian government, on the need for a concerted employment policy throughout the Community. In replying, Mr. Albert Coppé, Commission member responsible for social policy, informed the Committee that he intended to ask the Commission to set up a special working group of Commission and outside experts which would draw up a detailed analysis of the present situation, and suggest steps to be taken.

The next meeting of the Committee will take place in April.

● Borschette visits UK

Commission member Albert Borschette, who has special responsibility for regional policy, paid an official visit to Britain in November to discuss regional problems in the context of the UK joining the Community.

He had talks with John Davies, Secretary of State for Trade

and Industry, and other members of the Government concerned with regional questions. M. Borschette also looked at regional development projects in Wales, Scotland and the North of England.

● Six plan to peg wage, price increases

Price increases in member states in 1972 should be pegged to between 3 and 3½ per cent, and wage rises to between 6 and 7 per cent, according to the Commission's annual report on the short-term economic situation. The Council adopted the report at the end of October; it is intended to serve as a guideline for the six national budgets for 1972. Approval of the document, and incorporation of its recommendations in the member states' budgets, is a feature of the first, three-year phase of the plan for economic and monetary union agreed on in February 1971.

The report said that appropriate measures were needed to cope with the most serious economic situation since the EEC began in 1958. It recommended, among other measures, that public spending should rise by no more than the increase in gross national product. Priority should be given to outlays on infrastructures, and to measures to stimulate savings and long term investment.

● Farm modernization: Commission's revised proposals

The basis of the Commission's farming reform policy is still the drastic 10-year programme - "Agriculture 1980", generally known as the Mansholt Plan which it submitted to the Council of Ministers in December 1968. The aims of this policy are to raise farmers' living standards and curb the cost of the common farm policy. But since 1968 there have been lengthy discussions on the original plan between the Commission, the farmers' organizations, and representatives of the member governments and others. As a result of these discussions, and particularly in the light of a long meeting of the Council of Ministers in March at which basic agreement was reached on the future of the Community farm policy, the Commission has put forward some modifications to the original plan in the form of four draft directives for consideration by the Council of Ministers.

The four new proposed directives have been accepted in principle by the Council although they are still subject to some minor re-drafting. They are as follows:

- Farm modernization;
 - the encouragement of farmers to leave the land, and the re-allocation of farming land;
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- the provision of courses in the latest farming methods and the retraining of farmers wishing to take up other work;
 - the encouragement of producer cooperatives.

The aim of the new draft directives remains the same as the original Mansholt Plan:

- To place less emphasis on guaranteed markets and prices;
- to reduce the acreage of farm land in the Community;
- to increase the average size of farms;
- to reduce the number of farmers on the land.

In the Commission's view it is only when these aims have been achieved that the Community can hope realistically to tackle the problems of high prices, surpluses and the enormous budgetary cost of supporting the farming population.

● Special railway rates for the Saar steel industry

The European Commission agreed last July to the special rates, known as "Als-ob-Tarife" ("As-if Rates"), allowed by the German State Railways for the carriage of iron and steel products from the Saar. It decided to authorize their retention until 31 December 1975, after which the difference between them and the regular rates is to be scaled down by five equal annual cuts of 20%, on 1 January of each year from 1976, to nil on 1 January 1980.

It should be recalled that the special "Als-ob" rates were introduced to correct the competitive disadvantages to the Saar steel plants (which still provide 40% of the jobs in the area) resulting from the canalization of the rivers Moselle and Neckar. It was understood all along that they were a temporary measure only, to keep the Saar industry competitive transport-wise pending canalization operations in the Saar basin itself.

From the Commission's discussions on the subject with the German authorities it emerged clearly that the deadlines now fixed for the special Saar rates ought to be enough to cover the canalization scheme in the area and the planned structural streamlining of the steel industry there. This is a clear case of the Community authorities permitting special advantages to be given for the purposes of regional development.

● The beginnings of an EEC approach to road safety

Every year an increasing number of Europeans are driving on roads outside their own country. Obviously conflicting road safety regulations in different countries can only lead to muddle and confusion - and even greater danger to road users. This is the background to the Commission's first initiatives towards joint Community action in this field.

The figures are striking. There are now 80 million vehicles of all kinds owned by citizens of the Community. In 1969 45,426 people were killed in road accidents and 1,186,000 injured.

Many factors underlie these tragic figures, among them the increase in the number of road vehicles and their power, the ridiculously competitive spirit among many drivers, especially the youngest, the bad state of some roads and of some road signs, and above all a lack of public awareness and education in road sense.

What has been done: The EEC Treaty has nothing expressly to say about road safety, but the Community has already begun to take action in this field. In a recent speech to the European Parliament, Mr. Albert Coppé, Commission member responsible for transport, recalled that rules have been agreed by the Council of Ministers on the transport of dangerous substances, on hours of work and of rest for the drivers of heavy lorries, on speed limits for heavy lorries, on training for lorry drivers and on the installation of instruments for recording speed which are bound to have a restraining effect on the drivers. Road safety, too, is a common factor in the fifteen or so draft directives aimed at eliminating technical obstacles to trade in road vehicles between Community countries already submitted by the Commission to the Council. These directives propose common technical standards in vehicle construction.

● Studies on employment in banks and insurance

The European Commission is preparing a study of the development of employment in the sector of banks and insurance companies. The study will trace the variations in employment which have taken place since 1958, and will outline the prospects for the 1970/1980 period. Both the government experts of the six countries and the employers and unions, consulted by the Commission's services, recognize the interest of this initiative, which concerns a services sector in which particularly lively expansion was noted in the last decade. It seems useful to study the impact which this expansion of activity has had on employment, and to analyse the qualitative and quantitative changes, especially by means of the increasingly wider use of data processing in these two sectors.

● EEC wage surveys in 1972

As a result of decisions taken by the Council of Ministers (Social Affairs) in October last, the following surveys are to be made of wages in the Community.

New survey of industrial wages: The Commission has been instructed to make a survey in 1973 (using figures from the 1972 fiscal year) of labour costs (manual and white-collar) and workers' incomes in industry. The survey will cover all industrial activity, including power, water, construction and civil engineering. It will take the form of a poll of companies employing a minimum of ten workers. The data will be collected by the statistical services of the member countries on the basis of technical methods determined by the European Commission, and will then be sent to Brussels in broken down form according to industrial sector, region, and size of firms (all data on individual firms will be omitted).

Survey of the structure and distribution of wages in industry:

The first survey of this kind was made in 1966. By repeating it, it will be possible to analyse to what extent differences in wage levels (between countries and sectors of industry; this will emerge from the survey discussed above) are due to differences in labour patterns and structures. This survey will also provide information about the distribution of individual wages.

The field over which the survey will be taken will be wider than in 1966, since it will deal not only with manual workers in industry, but with white-collar workers as well.

A similar survey, dealing with the service industries, will be made in 1974 (at the same time as a survey of wage costs in the services sector).

● ECFTUC Assembly

Relations with the Community institutions, and the role of the unions as the Community develops, were the main subjects on the agenda when the free trade unions of the Six held their annual assembly in Toulouse on October 8-9, 1971. The European Confederation of Free Trade Unions in the Community links together the national union confederations of the six present member countries (see Trade Union News No. 6, p.29), and it is assumed that the British TUC and its Irish, Danish and Norwegian counterparts will affiliate to it once the enlarged Community is in being. All four sent observers to Toulouse.

The Summit Conference at The Hague in December 1969 was seen as a milestone not only in the development of the Community

as at present constituted, but also with regard to its future enlargement through the membership of the United Kingdom, Denmark, Ireland and Norway.

Internally, The Hague decision to create an economic and monetary union in the European Economic Community, an important matter for the ECFTUC, was warmly welcomed at the Assembly. Little progress has been possible so far, as a result of the world monetary crisis. All this emphasized the absence of any Community monetary machinery, and also the urgency of the problem. Speakers at the Assembly stressed their desire to see a return to fixed parities between the member countries as a prelude to a greater coordination of Community monetary policy. New measures introduced would undoubtedly affect the economy as a whole, and trade unions should press for full consultations in these matters.

The Assembly called for a greater degree of democratisation within the Community, and in particular for a directly elected European Parliament with extended powers. This could well be brought nearer by the accession of the new member countries to the Community, and any such steps towards a democratic political organization of the Community would serve to strengthen the trade union movement.

Externally, trade union relations with the third world were considered by the Assembly to be of greatest significance. Much remains to be done not only to render development aid more effective, but also on the part of the ECFTUC to help establish a sound trade union structure in the countries of the third world so that these can avoid the social vicissitudes experienced by Europe in the past.

In conclusion Heinz Vetter, President of the ECFTUC and of the German DGB, underlined that with the entry of the UK and the other new countries into the Community a stage in the unification of Europe was being completed that the ECFTUC had always advocated. It was becoming more and more apparent that the Community had a direct bearing on the day to day working of the trade unions and that their strategy towards the Community should therefore not be regarded as something separate from, but a vital part of, their national strategy. With a broader base and increased collaboration, the Confederation, defending the interests of 25 million workers in an enlarged Community, would clearly be a major force.

● Trade union leaders of Europe meet in Oslo

The European trade union federations affiliated to the International Confederation of Free Trade Unions, both from countries in the European Community and from those in the European Free Trade Association (including the TUC), met in Oslo on 5 and 6 November to strengthen and extend active European trade union cooperation. The meeting, convened by the trade union federations of Norway, Sweden, Denmark and Finland, discussed the developments which may arise for the trade unions from the enlargement of the European Community from six to ten countries. At present, ICFTU affiliates are grouped in the European Confederation of Free Trade Unions in the Community on the one hand, and in the EFTA Trade Union Committee on the other. The meeting also considered means of improving organizational links between them. A special study group has been set up to study plans for future trade union structures in Europe.

Statement issued: The following statement was issued at the end of the meeting:

"Economic and technological evolution has had the effect that national economies, as well as the general development of our societies, have become closely interconnected. Change and evolution in the economy of one country affect growth and employment in other countries. Income and milieu are conditioned by developments in several countries simultaneously.

"A consequence of this is that trade unions can no longer promote the interests of their members or pursue their broader national political goals solely by action within their respective national economic and political areas. These interests and goals must also be promoted by practical trade union cooperation in Europe. The need for such cooperation is emphasized by the existence and expected enlargement of the European Communities.

"Wider cooperation between the European countries in the economic field must have objectives with a social-political content. It is the task of the European trade unions to contribute to the formulation and attainment of such goals.

"In addition, the development of multinational corporations constitutes a challenge to the trade unions. These corporations know no national boundaries. This calls for increased international control and guidance, which must be promoted by genuine and continuous cooperation between the national trade union centres and the industrial trade unions, inter alia in Europe. The same apply to the fact that an increasing number of national business companies now operate in close contact with companies in other countries.

"The trade union movement recognizes that coordination of their national activities and actions will be necessary in the time to come.

"Full employment and constantly increasing standards of living continue to be primary objectives. They are no longer questions which can be dealt with solely on a national basis.

"The assembled representatives of European trade unions affiliated to the International Confederation of Free Trade Unions have appointed a working group to elaborate concrete proposals on organizational structure as well as objectives for an extended European trade union cooperation.

"The results of these discussions should be ready by the 15th March 1972.

"European trade union organizations should then as soon as possible agree upon the form of an extended cooperation among the European trade unions and on how it should be realized. It should come into effect before the 1st of January 1973."

Guide-lines for the working group: The following points were agreed as the basis for the discussions which will be held in the working group:

- the assembled European trade union representatives are conscious of the need for an active, further developed and enlarged trade union cooperation in Europe. This cooperation should aim at safeguarding and promoting the interests of their members in the widest sense;
- cooperation which the European trade unions wish to establish should ensure permanent contacts amongst them, with a view to the harmonization of attitudes and joint actions;
- a European trade union organization should be built on the organizational machinery which European democratic trade unions have established up to now and upon the experiences gained so far. It should secure trade union influence through the participation of as many democratic trade union organizations as possible in Europe. The rules of the organization should provide for decisions on problems concerning the European Communities, but it should be possible for those affiliated organizations from countries which are not members of the EEC, to take part in the discussion without participation in the decisions.
- The assembled European trade union representatives consider it desirable to strengthen the International Confederation of Free Trade Unions within the framework of its growing tasks. Relations with the trade unions

of the developing countries and the promotion of trade union rights throughout the world must be strengthened;

- extended Western European trade union cooperation should not impede existing bilateral contacts with workers' organizations in Eastern Europe.

● EEC trade union seminar in Denmark

Well known personalities from the European Community and from applicant countries lectured during a seminar on "Trade unions and the European Economic Community", run by the Danish trade union federation Lo at Juelsminde in Denmark from 31 October to 6 November. Representatives from national trade union organizations and labour education centres in six Northern European countries and guest speakers took part in the conference, which was organized in collaboration with the International Confederation of Free Trade Unions, the European Confederation of Free Trade Unions and the Trade Union Committee for the European Free Trade Association.

The purpose of the seminar was to explain the functioning of the European Economic Community as it affects the trade unions, to make possible an exchange of views between participants representing the EEC and EFTA, and have an exchange of opinions on the possible development of an expanded European Community. Ivar Norgard, the Danish Minister of Market Affairs spoke on the political, social and agricultural implications of membership for Denmark and the other applicant countries. Nicholas Kaldor, Professor of Economics at Cambridge University, spoke on the economics of the EEC. The other speakers were Theo Rasschaert, General Secretary of the ECFTU; Alfred Mozer, former adviser to S. Mansholt, Vice-President of the European Executive Commission; Kaare Sandegren, General Secretary, EFTA-TUC Brussels; and Leo Cyns, of the EEC Secretariat.

● Founding congress of European Metalworkers' Federation

Eight metalworkers' trade unions in the six Common Market countries have united to form the "European Metalworkers' Federation within the Community". The EMF held its first general assembly in Brussels on 29 and 30 June of last year. The assembly was attended by numerous prominent personalities, including Signor Malfatti, President of the European Commission, who underlined the need for consultation between both sides of industry at European level. Otto Brenner, President of the powerful German Metalworkers' Union IG Metall, explained that the transformation of the European Metalworkers' Committee into the present federation resulted from the need to face up to the growing problems posed to the 3.1 million workers employed in the European metal industries by the extension of company activities over national frontiers and

increased concentration of capital. A resolution adopted unanimously by the assembly declares the EMF's aims to include the strengthening of its member unions' cohesion and the reinforcement of common policies; the promotion of democracy and economic and social progress in Europe through increased worker and trade union influence. Gust Wallaert, General Secretary of the Belgian Metalworkers' Central Organization and Günter Köpke, Secretary of the superseded Metalworkers' Committee, were elected President and Secretary respectively of the new federation.

● Public service unions' European conference

The second European conference of the PSI was held from 20 to 22 September 1971 in Copenhagen. The host unions were the four Danish affiliates. One hundred and eighty delegates from 35 unions in 13 European countries attended, including representatives of the unions which organize the civil servants of the EEC institutions.

Gunnar Hallstrom, President of the PSI, opened the conference. In his address he mentioned that the European members of the PSI numbered 2½ millions or 2/3 of the total membership.

After addresses of welcome by the Lord Mayor of Copenhagen, Urban Hansen, the President of the Danish TUC Thomas Nielsen, and Jorgen Knudsen, President of the Danish Municipal Workers Union on behalf of the host unions, the conference was addressed by Jens Otto Krag, now Danish Prime Minister. He felt that European cooperation should be regarded as a challenge and a development to which the Danish labour movement like others could make an important contribution.

The second speaker was Heinz Kluncker, President of the German affiliated Public Service Union, Gerwerkshaft OTV, who dealt with finance and wage policy in Europe. His speech covered a very wide field indeed, giving delegates useful pointers and considerable food for thought.

On the second day Conference heard addresses by the Rt. Hon. Anthony Crosland, former Minister of Local Government and Regional Planning in the British Labour Government, who spoke on finance and industry (public and private). He was followed by the General Secretary of the PSI, C. W. Franken who spoke on trends and developments in working conditions in Europe. He called for closer contact and greater cooperation on the international level to enable the PSI to influence developments in the European Community.

The afternoons of both first and second days were largely devoted to discussions in four separate language groups - an innovation at PSI conferences. On the final day the conference discussed and adopted four resolutions on (1) health

and social services, (2) energy policy, (3) the European civil service, and (4) a composite resolution dealing with the need for harmonization and coordination of trade union work on the European level, changes in the structure of the public services, industrial democracy, and finally calling for the setting up of a European committee. All these resolutions take the form of recommendations for endorsement by the Executive Committee.

● CGT statement on Community-level cooperation

In a statement published last October the French Communist trade union confederation CGT called for a common front among all unions in the face of the multinational companies which operate throughout Europe.

In the countries of Western Europe the demands being put forward by the workers are similar, if not identical. In the main they relate to wages, working hours, jobs, vocational training and trade union rights. And relations among national confederations are improving. With the development of multinational firms we are witnessing meetings, contacts and exchanges of information among active members and unions on the level of firms such as Fiat, Citroen, Solvay, etc., and on the level of industries such as engineering, food, textiles, transport, fishing, etc.

Relations aimed at unity must be tenaciously pursued. They must rapidly result within the Common Market in the setting up of a "single workers' group" in the Economic and Social Committee of the EEC. The exclusion of the CGT and CGIL by the European Confederation of Free Trade Unions damages the effectiveness of union activity, CGT maintains.

Unity is just as necessary in the consultative committees, negotiating committees and working groups in which the trade union organizations are represented. Together we can limit the claims of the monopolies which dominate the Common Market and defend the workers' interests, the CGT concludes.

● Luxembourg unions call for greater union cooperation in enlarged Community

Gaining recognition as a partner to be consulted at Community level has cost the workers' organizations a not inconsiderable amount of effort. Now there is the possibility that their weight will be further increased by the adherence of new countries with deep-rooted trade union traditions. In any event, it is certain that the numerous contacts already made between the trade unions of the Six and those of the candidate countries will be stepped up and intensified in the future.

The entry of these countries will also make for a revitalization of the concertation practices needed to dovetail ideas on the proper path to progress.....

If it is a fact that concertation between the two sides of industry and national governments or Community authorities will have to be increased in the wake of enlargement, it is even more true of concertation between the organizations themselves.

It would be regrettable, now that enlargement is to all intents and purposes a fact, for the trade unions to pay no further interest to the possible course of events from now until 1973. The Community is not going to hang about doing nothing until its new members finally join - it will be making further advances, about which the applicant countries will be informed and about which they will have their say. It is therefore important that the unions of the Ten should make every effort to influence Community decisions right away. (Summary of statement by the Luxembourg CGT).

● Unions oppose association with Portugal

European trade unions have formally opposed any form of association between Portugal and the Community. In a letter to Commission President Franco Maria Malfatti, Théo Rasschaert, General Secretary of the (Socialist) European Confederation of Free Trade Unions in the Community, and Jean Kulakowski, General Secretary of the (Christian) European Organization of the World Confederation of Labour, referred to press reports about Portugal wanting an association. They recalled that their organizations opposed association between the Community and non-democratic governments. The letter mentioned previous views expressed by the two labour bodies on the Community's relations with Spain and Greece.

Granting non-democratic countries links of association would strengthen these regimes and weaken the clandestine opposition to them, the letter stated. The lack of free trade unions in these countries meant that the working classes would gain no advantage from the association. In the unions' view, the establishment of a genuinely democratic regime in Portugal was a pre-condition to any negotiation for association.

● Preparing for the Common Market

The Transport and General Workers Union celebrated its 50th anniversary with a rally at the Festival Hall in London on January 17. Mr. Jack Jones, the union's General Secretary, in making known the union's plans for future action, announced that it would be strengthening its contacts with French and other EEC unions and probably arranging courses in French for union officers and officials as steps to prepare itself for entry into the European Community.

● Call for code of conduct for multinational companies

The world economic conference of ICFTU, meeting in Geneva in July 1971, devoted an important part of its work to the problems of large multinational companies, and called for the implementing of a series of measures to defend the interests of workers against the growing size and power of these companies. The following measures in particular were advocated:

- adoption of directives in the various countries to keep watch on the actions of multinational companies on questions such as observances of ILO standards in the industrial relations, the planning of employment, concentrations and mergers;
- watch on the financial practices and trading within a single company which has branches in several countries, and checking of policies on research, tax payments and the payment of dividends;
- obligation to publish balance sheets for the whole company, and financial reports for the various subsidiaries;
- regular consultations between governments and the multinational companies, to ensure that the operations of these companies are in line with the economic and social objectives of the countries concerned;
- cooperation between the countries which export capital and the countries which import it, and in general between the governments of the countries concerned by the activities of the multinational companies, involving for example adherence to international labour standards and trade union rights;
- intensification of research by trade unions into the ramifications of multinational companies, and intensification of efforts towards collective bargaining;
- action within the international organizations to achieve a "code of conduct" for multinational companies.

● EEC energy consumption up 8.5 per cent

EEC energy consumption rose in 1970 by 7½ per cent over 1969 from 788.2m tons to 848m tons. Consumption is expected to rise to 894m tons this year. The swing in consumption from coal to oil has continued, coal consumption providing only 23 per cent of the energy consumed (74 per cent in 1950) and oil 59 per cent (only 10 per cent in 1950), while natural gas provided 8 per cent.

The following table expressed in millions of tons coal equivalent, shows the evolution of energy sources during the past twenty years.

	1950	1970
Coal	213.4	196.1
Crude oil	29.8	496.2
Lignite	25.2	34.1
Primary electricity	19.7	49.2
Natural gas	1.1	72.2
TOTAL	289.2	847.8

● Enquiry into workers' participation

The International Confederation of Free Trade Unions is now undertaking a world wide enquiry into the views of trade unions on workers' participation in management and on profit sharing. Although opinions differ widely on the proper scope and direction of such involvement and although the form of such participation differs widely from country to country, trade unions are more and more adopting policies that foresee the application of workers' participation in one shape or another. The results of this enquiry will throw light on a subject which is arousing great interest throughout the world. Affiliated trade union organizations have been asked to describe such participation schemes as now exist in their respective countries and to define in what ways they hope to see them developed. The questionnaire concentrated on four aspects of this complicated subject: labour management councils within the enterprise, workers' representatives in supervisory bodies within the enterprise, capital-sharing schemes, and plans for the future. A preliminary report on the subject will be submitted to the Economic and Social Committee of the ICFTU later this year.

● Study shows shorter working hours

Manual workers in the Community are tending to work shorter hours.

A study by the Community's Statistical Office says that between 1966 and 1969, the reduction was most marked in Italy (4.5 per cent), the Netherlands (3.9 per cent) and France (3.4 per cent). The average number of hours worked a year was highest in France and Luxembourg: 2,000 hours, compared with 1,900 hours in the Netherlands, 1,870 hours in Belgium, 1,860 hours in Germany, and 1,800 hours in Italy.

In 1969 the average hourly cost of manual workers - for the whole of industry - was \$2.12 in Luxembourg, \$2.00 in Germany, \$1.96 in the Netherlands, \$1.94 in Belgium, \$1.70 in France, and \$1.60 in Italy. Half of Luxembourg's manual workers are in the high-wage steel industry.

Average monthly costs of employing office workers in 1969 were \$566 in Luxembourg, \$544 in France, \$526 in Belgium, \$504 in the Netherlands, \$498 in Italy, and \$472 in Germany.

Between 1966 and 1969 costs increased much more quickly for manual than for white collar workers in France and Italy, i.e. the countries where costs for manual workers were the lowest. Costs for office staffs rose most in the Netherlands and Germany, i.e. mainly where they had been lowest, so that costs for office workers are converging. Belgium and the Netherlands have experienced the greatest rise in costs for manual and office workers.

The labour costs are averages for industry as a whole, and are based on exchange rates effective before the devaluation of the French franc and revaluation of the mark in 1969. The new exchange rates would raise the German figures and lower the French ones.

● Retail prices still vary

Retail prices still vary widely among the six members of the Common Market, according to a survey by the Community's Statistical Office.

The survey shows that foodstuffs, drinks and tobacco as a group are cheapest in France, but alcoholic drinks on their own are cheapest in Belgium. The Netherlands is the cheapest country for beef, fresh fish and some milk products, while bread is 10 per cent dearer in Germany than in other member countries.

Tobacco is cheapest in Luxembourg and Belgium, whereas both tobacco and alcoholic drinks are subject to a relatively heavy tax in France (but lighter than that levied in Britain).

Italians and the Dutch pay the Community's lowest prices for house maintenance, heating and lighting, and also for washing machines, electrical stoves and other domestic appliances. Germans have the cheapest leisure consumer goods - television sets, radios, tape-recorders and cameras.

Small cars are cheapest in Italy, medium-sized ones cost about the same throughout the Community. Large cars are 18 per cent dearer in Italy than elsewhere. Prices vary partly because of variations in rates of sales tax, transport costs, and the efficiency of marketing and distribution.

● Value-added tax

The EEC is due to complete the first stage of its tax harmonization on July 1, 1972. Italy has promised to switch over by that date to the value-added tax system already in use in the other five countries.

The next step will be to harmonize not just the system but the rates. The EEC Commission is proposing a progressive harmonization that would bring the rates into line by the end of the decade, but at the moment there is no agreement among the governments.

At present there are wide differences. The standard rate, the one applied to most products, varies from 8% in Luxembourg to 23% in France. Reduced rates (on food etc.) and luxury rates also vary greatly.

Outside the EEC, the value-added tax system has been introduced in Denmark, Greece and Sweden. Britain will introduce it in 1973, and Austria also plans to do so. Austria at present operates the "Cascade" type of sales tax at 5.82%, as do Finland (11%) and Spain (2.4%).

Other European countries apply single-stage sales taxes, with Ireland (5%) at the bottom of the list, and Norway (20%) at the top. In between are Switzerland (5.4%), Portugal (7%), Turkey (10 to 75% depending on the product) and Britain, whose selective taxes range from 13.75% to 55%.

Standard VAT rates

	%
Belgium	18
France	23
W. Germany	11
Italy(1)	12
Netherlands	12
Luxembourg	8

(1) Likely rate

● Useful booklets

Unions in Europe. By Eli Marx and Walter Kendall. Centre for Contemporary European Studies. University of Sussex. 30p.

An account of how trade unions in the Six have organized themselves at Community-levels to make their views known; and a country-by-country description of the structure and activities of the trade union movement.

Britain into Europe. The Economist. 30p.

Based on a series of "briefs" published in The Economist earlier this year, this pamphlet summarizes the entry terms, explains how the Community institutions work in practice, and generally tries to show "that the British will be glad" that Britain joined her European neighbours.

HOW THE UNIONS ARE ORGANIZED AT THE COMMUNITY LEVEL

There are some 22 million organized workers in the six-nation EEC, or about 38% of all wage and salary earners(1). (The figure for the UK is about 46%). Of these, some 12 million are in "free" unions affiliated to the ICFTU, 4.5 million affiliated to the (Communist) WFTU, and 2.5 million to the (Catholic) WCL. A further 3 million people belong to unions which are not affiliated to the main confederations (mainly teachers, civil servants, professionals, etc.). In an enlarged ten-nation Community there will be roughly 34 million organized workers, or 41% of wage and salary earners. All the major unions in the four new member countries are ICFTU-affiliated, so almost the whole of the increase will go to the ICFTU unions which will organize around 24 million workers in the enlarged Community.

The ICFTU unions of the Six established in 1969 the European Confederation of Free Trade Unions (ECFTU) through which to coordinate their actions at EEC level. Details of its structure were given in Trade Union News No. 6 (pp. 29-30).

The WFTU and WCL unions have also set up their Community-level organizations. The two WFTU affiliates (the French CGT and Italian CGIL) have a joint EEC committee with an office in Brussels. Since there are only two organizations involved, the structure of the committee is very simple, with five members for each affiliate, and two permanent secretaries in Brussels.

The WCL's European Organization is more complex and highly developed (similar in many ways to the ECFTU). It brings together the CSC in Belgium, CFDT in France, NKV (Catholic) and CNV (Protestant) in the Netherlands, LCGB in Luxembourg, the small CGB in Germany, and the ACLI(2) in Italy. Organizations in Austria, Switzerland, Malta and Spain are also full members, but have no vote on EEC questions. The WCL's eleven International Trade Federations (equivalent to the ICFTU International Trade Secretariats) are also members. The members, national unions and international federations, nominate:

- the Congress (Supreme body. Meets every three years)
- the Committee (decides policy between congresses)
- the Executive Bureau (1 representative from each national affiliate, plus 5 from the international federations, plus the General Secretary).

(1) If calculated as a percentage of total civil work force, the figures are of course lower.

(2) ACLI is an "Extraordinary Member" of the EO-WCL. It is not a trade union as such, but an organization bringing together Catholic workers who may or may not be members of other unions.

The present President of the EO-WCL is André Cool, of the Belgian CSC, and the General Secretary is J. Kulakowski.

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