

TRADE UNION NEWS

from the European Community

No 14 Spring/Summer 1974

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Published by

Commission of the European Communities

20 Kensington Palace Gardens London W8 4QQ

Telephone: 01-727 8090

Information Office

QUIET PROGRESS IN SOCIAL POLICY

This issue of Trade Union News is primarily concerned with energy policy. Clearly this is of importance, given current energy problems. Equally the headlines are dominated by discussions of the Common Agricultural Policy and the Community Budget. All of these matters are important to trade unionists, but as Vic Feather pointed out at the ETUC Congress in May (reported in this issue) trade unionists are very much concerned with social issues. Hence, it is important to realise that, less glamorous, but crucial progress is taking place on various proposals in the social policy field of the Community's activities.

Social Policy has until recently been the Cinderella of Community Policies. Indeed, as far as the Council of Ministers is concerned, it was not until the Paris Summit of October 1972 that the political will to develop the social dimensions of the Community was made explicit. Pressure from the Trade Union Movements and the Social Democratic parties in Europe had been exerted for some time, but though the Commission was favourably disposed towards producing a social policy, little progress had been made.

Since the enlargement of the Community, progress has been rapid in this area. Not only has the Social Action Programme been produced, but other policies with explicit social aspects have been proposed by the Commission, and in some cases already agreed by the Council of Ministers. Others, such as regional policy, are awaiting final agreement in the Council.

The Social Action Programme - containing some 40 separate proposals was presented to the Council of Ministers last December. On January 21st, the Council approved the programme, with the exception of reservations on two of the Commission's proposals.

In the United Kingdom, two of the specific social action proposals will have a substantial effect on British industrial life and industrial relations. First, the proposed directive on mass (collective) dismissals will provide considerably increased protection, and overall coverage, for all workers in the United Kingdom when threatened with redundancy. Currently, even where the strong unionisation exists, the most difficult situation to cope with is the sudden threat of mass redundancy. Where there are no strong unions, and particularly in small firms, it is almost impossible for workers to do other than accept dismissal as a fait accompli. The directive will ensure that not only are the public authorities (in the UK Department of Employment) given at least one month's notice of redundancy, but also discussions between employers and trade unions or

workers' representatives must take place before notification.

Second, the recent proposal for the protection of workers' individual rights when company mergers take place will afford much needed protection to employees in what is becoming an increasingly familiar situation.

Furthermore, these two directives will have effects in terms of industrial behaviour not confined to shop-floor employees. Increasingly, employees right up to senior management level face redundancy and loss of status and seniority as a result of merger activity.

Nonetheless, important though these measures are, they represent only one dimension of social policy and social action within the Community. The Commission's proposals also cover the social security field. In particular, though it is not yet published, the proposal to link social security benefits, such as retirement pensions, with the rising standards of living of the working population, will have a substantial effect on the standard of living and welfare of retired people in Britain.

These are but some of the specific proposals which will be implemented during the next three years. Undoubtedly difficulties lie ahead of their final and full implementation. However, it is appropriate, even at this stage, to suggest that the progress made so far on the priority proposals of the Social Action Programme give considerable cause for hope that the Community is entering a new phase of its development.

The creation of a genuine social community is not an easy task. The first steps must necessarily concentrate on eliminating the disadvantaged positions occupied by several groups in society, and by affording the same protection and opportunities to workers and their families in their working and domestic lives, wherever they may live within the Community. This first stage of the development of a European social community, represented by the Social Action Programme, may appear to be merely a continuation of the ameliorative social policies followed hitherto. To some degree this is true and appropriate. Too sharp a break with the historical development of social policies in the Community would be neither desirable nor practicable. However, the Social Action Programme is not only a link with the past, it also foreshadows the future positive development of social policy in the Community.

In setting standards such as the 40-hour week and 4-week holiday recommendations, in initiating action programmes for migrant and handicapped workers, and in the formulation of a Community's employment policy, the Community is beginning to set social priorities and social goals. This in no way prejudices the ability of member states to pursue their own

individual social policies according to the priorities perceived in those states. The Community's policy is supplementary and complementary to the active pursuance of social objectives and priorities at the level of national governments and administrations.

Nevertheless, it must be appropriate and desirable - if the term Community is to be meaningful - that attempts are made at Community level to ensure equality of opportunity, of sharing in prosperity, and of participation in policy development for all groups in the Community, wherever they may live and whatever their working and domestic situation.

Besides the specific social policy expressed in the Social Action Programme, it should be recalled that there is also the social dimension of other Community policies. Perhaps the most evident disparities in employment, income, and opportunities are to be seen geographically, between various regions of the Community. Here the joint action of regional, environmental, industrial, and social policies is required to provide equal employment and earning opportunities in the various regions of the Community.

Progress is also taking place in increasing the participation of trade unions in policy formulation and decision making in the Community. The Community method of policy-making - unlike that of national administrations - has traditionally produced intensive contact between Community institutions, particularly the Commission, and representative groups in society, including employers' organizations and trade unions. This involvement while at present being regarded as less than perfect by Community trade unions, will necessarily and inevitably become closer.

Michael Lloyd (Ed.)

URGENTLY NEEDED - AN ENERGY POLICY

At the end of July the prospects for a concrete Community energy policy in the near future looked less bright than a month earlier when the Commission's proposals were published. On July 24th at the Council meeting in Brussels, Mr. Peter Shore, Britain's Secretary of State for Trade, raised objections to the Commission's proposed 'guidelines' resolution committing the Nine to the formulation of a Common Energy Policy. The Commission's proposals had been intended to gain from the Council a political commitment to an energy policy. The eight other Member States accepted the Commission's text of the resolution, but Mr. Shore said the 'guidelines' did not make it clear what the real consequences of such a political commitment would be. He wanted the draft subjected to a detailed examination by the relevant ministers before any political commitment was made. Therefore, the Council of Foreign Ministers had to confine itself to taking note of the Commission's communication without making any judgement on its content. Mr. Henri Simonet, Commissioner for Energy Policy, was naturally disappointed that the long months of careful preparation, with the participation of officials of the Member States on the Energy Committee, had failed to bring this first step forward toward a common energy policy. The other Government delegations stressed that the problem of energy policy remained a high priority for them. The subject will be at the top of the agenda of the next Council session, planned for September 16th and 17th.

The British are not the only ones not in step on Community energy policy. The French are still refusing to take part in the work of the Coordinating Group of Twelve set up by the Washington Conference - or in any other body which might take over from it. However, they are now considering the question of participation. The meetings of the Group of Twelve on July 29th and 30th took place without either France or the Community represented.

Background

The Community's first serious attempts to agree on a common energy policy only began after the attempted Arab oil embargo caused by the Six Day War in 1967. Hence, in December 1968, about 18 months after the merger of the executives of the three Communities, the European Commission laid its "First Guidelines for a Common Energy Policy" before the Council. The two basic principles were that a Community energy policy should provide consumers with dependable energy supplies at low and stable prices and that competition should perform a regulating function in the energy sector, as elsewhere.

The only concrete action to result from this initiative was a directive obliging member states to keep oil stocks equal to 65 days consumption. In May 1972 the EEC took its first steps toward a common commercial and supply policy in the oil and natural gas sector, when after two years of negotiations the Council approved two regulations. One of these obliges the Member States to provide the Commission every six months with data on their imports during the preceding year and submit overall data for all undertakings on probable imports during the following year. The second provides that all EEC members must notify the Commission annually (before February 15th) of all capital projects above a certain size to be started by their oil, natural gas, and electricity undertakings in the fields of transport, storage and distribution during the next three years. In December 1972, the directive was changed to require members to keep 90 days stocks by January 1975.

In October of 1972, energy had been included on the agenda of the Community Summit in Paris, but it was rather low in the list of subjects to be discussed. It was at this meeting that the member states had agreed to the increase to the 90 days stock pile. By this time the Commission had also begun encouraging oil exploration in Europe and for regular discussions on energy with the United States. Although none of these things may seem particularly controversial, by May 1973, the French had introduced a series of political objections to the slow steps towards a Community energy policy. The Council meeting which took place at this time was the first ministerial level one to debate the energy question for over three years. Henri Simonet, hoped this meeting would give him the mandate he needed for his negotiations with the U.S. later that month and with the OECD members in June. The French wanted discussions with third countries conducted only by the individual states and not by the Community as such, and wanted the EEC to work out its own energy policy and unify its own oil market before discussing safeguards with outsiders. These demands led to an 18 hour marathon meeting which failed to produce an overall Community energy policy. The only positive step taken was that the governments introduced 'crisis management' legislation to cope with the immediate oil problems. Except for this the ministers contented themselves with asking the Commission to prepare concrete proposals by the end of the year, on all the points on which they were unable to agree. This meant, in fact, on virtually all the

substantive issues. In December 1973, the heads of state met in Copenhagen. At this meeting the British and French reluctantly agreed that toward the end of January the Commission should put forward proposals to ensure the orderly functioning of the Community's energy market. This was a move toward the policy of Community oil sharing which the Dutch, Danes and Germans had favoured. At least part of the intra-Community dissension in the period from October to December 1973 had been due to a lack of previously agreed guidelines, and this was widely recognised. By April 1974, the Community's Energy Committee, set up by the Council of Ministers at the end of January 1974, was discussing with the Commission a variety of proposals for increasing the diversity of European energy sources .

The experience of 1973 made it clear that the Community needed a long term strategy to reduce its dependence on external sources of energy, particularly on oil. In May, after the Washington Conference, the Commission proposed in a long document submitted to the Council to guarantee security of supply and to prevent violent price fluctuations. A future Community energy policy will have four main parts (1) slowing down of oil demand (2) increasing emphasis on nuclear energy (3) greater use of natural gas (4) reviving of Community coal industry and enlarging the potential market for imported coal. The Commission has proposed Community-level objectives for the relative shares of energy sources and processed energy in the overall energy market. These proposals will require the implementation of compatible energy policies at national levels if Community targets are to be met. The strategy also specifies actions which must be agreed and implemented to achieve the stated objectives.

By the year 2000 nuclear energy could cover at least 50 per cent of total energy needs and gas could cover almost one third of the total. Thus by the end of the century, coal and oil would cover only one quarter of Europe's energy needs but solar and nuclear energy would still only account for minimal percentage of the total demand.

However, for 1985 the Commission has set out its objectives of an energy policy in more detailed terms.

Demand - more efficient use of energy to reduce the estimated consumption in 1985 by 10% on that initially estimated.

- to increase the consumption of electricity, which should represent 35% of energy consumption by 1985.
- Supply - to limit Community dependence on outside energy sources, at present about 60% to 40% by 1985. After 1985 the exploitation of new sources in the Community, particularly North Sea oil and gas, will further reduce the need for non-Community oil imports.

Kinds of Energy

- Oil - By 1985 to limit oil to 40% of overall energy and to cut from 98% to 75% dependence on outside sources. The Community plans to produce 180 mtoe by this time and to reduce consumption of heavy fuel oil in power stations. However, it will still be the Community's main source of energy, so it must ensure that adequate amounts are available at an acceptable price. In order to do this the Commission has proposed a policy having four basic features. These include a common attitude toward oil consumers and oil producers, promotion of oil exploration and exploitation within member states, Community level organization of the oil market, and the taking of measures at Community level to prevent any supply difficulties and to deal with any that might arise³.
- Solid Fuels - The Community wishes at least to maintain the absolute level of current production of solid fuels (285 mtce/200 mill. toe in 1973 to 305 mtce/215 mill. toe in 1985). Coal will make up the majority of this and lignite the residue. This policy means maximizing coal production in the United Kingdom and in West Germany. The Commission target of 150 mtoe of coal for the United Kingdom industry is the same as that set by the UK Government in its recently announced programme for coal. Solid fuel imports will be increased, but not substantially from 35mtoe in 1973 to 50mtoe in 1985. The Commission wishes to shift demand at power stations towards coal wherever nuclear energy cannot be used.

² For dependence of Community countries on imported energy, see Appendix 1

³ For more details on the oil sector see, The Community oil sector medium-term forecast and guidelines, Commission of the European Communities, 1974.

- Natural Gas - The plans are to make extensive use of natural gas and increase its share in the total supply from 2% in 1973 to 25% in 1985. This means Community production must be doubled and imports from a variety of sources must be used. The Commission wishes to discourage the use of gas in thermal power stations and in certain industries.
- Nuclear Energy - The Community wishes to use nuclear energy to cover 50% of electricity needs by 1985. This means the nine will need an installed capacity of at least 200 GWe for electricity production (plus 20 GWe for other uses).

Community primary energy needs in 1985*

	<u>1973</u> (<u>estimates</u>)		<u>1985</u> (<u>initial forecasts</u>)		<u>1985</u> (<u>objectives</u>)	
	Mill.toe	%	Mill.toe	%	Mill.toe	%
Solid Fuels	227	22.6	175	10	250	16
Oil	617	61.4	1160	64	655	41
Natural Gas	117	11.6	265	15	375	24
Hydroelectric power and other	30	3.0	40	2	35	2
Nuclear energy	14	1.4	160	9	260	17
	1005	100	1800	100	1575	100

* Internal consumption + exports + bunkers.

N.B. It should be noted that the above figures and percentages are objectives and not forecasts. As objectives they must be revised periodically and adapted to the situation prevailing in each Member State. This task will be carried out by the Commission, assisted by the Energy Committee set up by the Council of Ministers decision of January 30, 1974.

Clearly, the pursuit of these Community-level objectives requires joint responsibility on the part of enterprises, the Member States, and the Community. The action of each should converge along the guidelines agreed on at Community level.

New Energy Strategy Should Save Money

The cost of the proposed strategy is the additional cost needed to achieve a further reduction in consumption below that caused by the market reaction to higher prices. On this basis the new strategy will require a net additional investment of

about \$10,000 mn. (at 1973 rates) for the period 1975/85. However, it would mean a net saving of about \$50,000 mn. (at 1973 rates) in overseas payments for this period. To attain the needed level of investment, a prices policy will be needed to guarantee investors long-term profitability and security. Such a policy could be accompanied by incentives to speed up investment and by fiscal measures to prevent undue financial benefits from accruing in respect of energy sources which have a low initial cost.

From a macro-economic point of view, therefore, the new strategy - far from increasing the cost of supplies - would progressively reduce it. This would be in addition to the increased security of supplies.

To attain the 1985 objectives a meaningful supply policy will have to be pursued for each energy source, comprising appropriate incentives and dis-incentives at both the national and the Community level. Support for implementing the new strategy could come from a Community agency. This agency should have its own legal personality and financial autonomy, but would be under the control of the Commission and assisted by a consultative committee made up of representatives of member states and industry, consumers, and workers. The new energy policy, if eventually adopted by the Council, will give the Community a well-defined framework into which both national policies and future Commission proposals could fit. The Commission has stressed the need for an early acceptance and rapid implementation of this policy to prevent any new energy crisis from jeopardising the prospects for a revival of the Community.

Recently the Commission has taken several steps to encourage actions favourable to its new energy policy. Of direct interest to Britain is the recent announcement of a series of substantial loans to British coal and steel industries, under European Coal and Steel Community's Treaty arrangement. These include a loan of £14 mn. to the National Coal Board for work at the following mines, Bettwys, South Wales; Hem and Heath and the Florence Collieries, which are to be joined to make a new Trentham mine; Easington, Co. Durham; Littleton and Royston, Barnsley. The Community has lent the NCB £1.6 mn. at 1% for improvement scheme covering nearly 6000 workers houses and £3.5 mn. for development at Horden and Blackhall Collieries in County Durham.

In July the Commission has just issued a favourable opinion with regard to a German bill aimed at encouraging the use of coal in traditional thermal power stations. This is to assure the security of energy supply by encouraging the use of coal and discouraging the use of fuel oil and thus help to implement the Community energy programme.

In addition in late July the Commission proposed Community financial participation in 22 projects concerned with prospecting transport and storage of sea oil.

Despite the disappointment of the July Council meeting, the energy programme remains one of the Community's top priority areas and will be at the top of the agenda of the next Council session, scheduled for September 16-17.

LINKS BETWEEN ENERGY POLICY AND OTHER COMMUNITY POLICIES

During the last few years the Commission has increased its efforts to show the connection between energy policy and Community policy in other fields. Energy policy is especially linked with the problems of social and regional policy, of research and technological policy and of environmental policy. Social and regional problems have played a decisive part in the formulation and implementation of the Community's coal policy. As a result of Community measures for labour redeployment and the conversion of undertakings, most of the undesirable social consequences of the decline in the EEC coal industry have been avoided, or at least kept in check. Since its inception, the Community, first via the High Authority and later via the Commission, has provided at least 100 mn. u.a. in aids for worker retraining and has paid out 1,150 mn. u.a. in loans for the conversion of undertakings. The coal subsidy decisions Nos. 3/65 and 3/71 also in part were justified by the Community's concern to maintain coal production and marketing while at the same time avoiding an excessive reduction in colliery manpower.

In its "Second report on the relations between social policy and other Community policies" which was submitted to the Council in March 1970, the Commission pointed at the social aspects of the action required in the oil, gas, and electricity sectors as well as the previously discussed problems of the coal industry. The Commission believes all future action must be compatible with the social objectives of the Community Treaties, i.e. they must contribute towards raising of living standards, creating more jobs, improving workers' living and working conditions and closing the gaps in the health schemes for the entire population.

The Employment Effects of the 1973/74 Energy Crisis

In December 1973 the Council invited the Commission to draw up a report on the repercussions of the energy crisis on employment in the Community. The report¹ produced in May 1974, concentrates on the issues which will arise over the next two years. It concludes that in the long term it is the structure rather than the level of employment which will be affected by changes in oil consumption due to price increases. The expected structural employment problems will differ little in kind from those existing at present, although their scope will be more serious. Changes are expected to be greatest in those sectors which use oil for power and heating, where oil is the fuel of

1 SEC (74) 1358 final:2

the final product (i.e. the motor industry), and where oil is an essential raw material. Higher prices for these products will reduce demand, and this in turn will reduce the demand for workers in these industries. However, new employment opportunities will develop in industries using alternative fuels or raw materials. More workers will be needed for building and equipping nuclear plant and installing natural gas pipe-lines and gas appliances.

By May 1974 the Commission had decided that the decrease in employment caused by the energy crisis would probably be less than it had expected in January. In January it had foreseen a decrease of 0.7% based on a reduction of Community GNP due to this crisis. By May it had decided the decrease would be contained to 0.3% or 0.4%. In the short term employment in Germany and the Benelux countries is expected to be little affected by the oil price increases because their balance of payments prospects allow them to absorb these. On the other hand, Ireland, Italy and the UK² are very concerned about increasing unemployment. Although the problems in each of these countries are different, oil price increases are fanning inflation and causing balance of payments problems. France and Denmark are facing similar, but not such severe, problems.

Both short and long term considerations show the need for joint action to mitigate the possible adverse effects of the energy crisis on employment. The report suggests employment policies should have three major objectives:-

- ☐ 1. avoidance of self-defeating trade and competition policies
- ☐ 2. spreading the burden of any adverse employment repercussions of the energy situation
- ☐ 3. preparation of a new pattern of employment

The report points out that the four groups most likely to suffer loss of employment opportunities are those who have just left school, unskilled migrant workers, older workers who lose their jobs, and women, whose opportunities may not expand as they should. The Commission wants to ensure that these vulnerable groups do not bear an unfair share of the burden of readjustment. The report suggests a number of ways such an unfair sharing can be avoided.

2 for further information on UK employment 1972-74, see Appendix 2

The report stresses the following four areas as being of particular importance in dealing with the employment repercussions caused by the energy situation.

1. Monitoring and forecasting of employment trends. Exchanges of information and views between national experts will be encouraged.
2. Vocational training. This should concentrate on practical needs such as the assessment of training needs and schemes, particularly in the poor regions, increases in qualified staff, exchanges of experience in basic training and joint development work on teaching methods, especially in sectors where new skills are needed.
3. Migrant workers and free movement of labour. The Commission. The Commission is checking the application of Regulation 1612/68 where it lays down that dismissed intra-Community migrant workers have the right to stay in the host country and receive unemployment and social benefits until they find a new job. The Commission also plans to promote an improvement in both national and Community labour placement.
4. Social Fund. The resources of this fund will be available to help in the development of such policies and to deal with demands specifically resulting from the energy situation. Priority also should be given to helping those regions most affected by the energy crisis.

The Regional Dimension of Energy Policies

Other links between the Community's regional and energy policies include the fact that in the future energy will be better distributed throughout the EEC, and as a result of this the present disparities among the regions will be reduced. Previously the Community's energy supplies stemmed mainly from coal mining areas in the interior, but present-day supplies enter through ports which handle fuel imports. In the future a large part of these imports, particularly natural gas, could be transported by pipeline. North Sea oil will significantly ease some of the UK's regional problems, particularly in Scotland. In the field of nuclear energy the generating cost depends to a very small degree on the location of the nuclear power plant. The Commission feels that the role of the energy policy must be to ensure that energy, which is thus more favourably dispersed, is in fact marketed everywhere without hindrance.

This should further promote the decentralization of industry and of the service sector, which has already begun and also should help to strike a balance between the regions.

Scientific and Technological Aspects of Energy

The high degree of technological innovation which characterizes the energy sector means energy policy must constantly take account of scientific and technological changes and thus be closely linked to the Community's policy on research and technology. In the coal sector, the High Authority has from the beginning worked for technical collaboration between the researchers and the coal mining industry in member countries. It has provided money for research projects concerning mining technology, coking techniques, fundamental problems of physics and coal chemistry, etc. In the field of nuclear energy, Euratom research programmes include reactor technology and safety, biology, nuclear fusion direct energy conversion, the fuel cycle etc.

This summer the Commission has announced an energy research programme - Energy for Europe - to supplement its general energy policy. The programme is based on preliminary work of the CERD Advisory Committee, as well as on the results achieved by a working party of officials from various Commission departments, which was appointed by the Commission. The Commission believes emphasis must be put on energy research within the Community and action must be taken at European level.

The research embraces eight strategic areas:-

1. Information - Research results in the field of energy research could be better exploited by a more efficient exchange of information on such research. A sub-Committee of CREST (the Committee on Scientific and Technical Research) has already done some preliminary work in this area.
2. Energy-saving - Community funds will be used to promote co-ordinated research on energy saving.
3. Coal, gas, and oil - the Commission is encouraging study of methods of increasing the automation of coal mining and processing, of improving working conditions, and of increasing competitiveness of coal through better utilisation. Cheaper means of converting coal into oil and gas and of exploiting natural gas and oil sources more fully are being sought. The development of deep-sea drilling methods also are being exploited.

4. Nuclear Energy:

Fission - Additional research is needed in radiation protection, reactor safety, the development and recycling of fuels for advanced reactors, protection of the environment, and production and extraction of uranium. Further national research on high-temperature and breeder reactors are to be co-ordinated to hasten the availability of the corresponding power plants. These are expected to come into operation by 1990, at the latest.

Fusion - Research projects on magnetodynamic fusion are to continue.

5. Hydrogen - Like electricity this could acquire increasing importance as a future energy source. It should be easier to transport and store than fossil fuels, therefore the problems relating to its transport and storage should be solved now.
6. New and self-renewing energy sources - The possible uses of sun, wind, sea and geo-thermal energy are to be studied.
7. Protection of the Environment - The Commission is planning research projects in the following areas:
- a. selection of the power-plant site with special attention to cooling tower technology;
 - b. development of apparatus to remove sulphur from exhaust gases and for fluidised - bed combustion;
 - c. work on nitrogen oxide, improved measuring methods, and effects on man and his environment.
8. Systems modelling - The quality of decision making in the field of energy policy will be enhanced by using the technique of systems comparison to aid working out the best medium and long term energy decisions for the Community.

The Commission plans to present its proposals for research projects in the energy field to the Council before the end of 1974. To implement the Community programme all national programmes should be based on jointly formulated guidelines and contract research considered relevant for Community should be given both encouragement and financial support at Community level. The Joint Research Centre will also be involved in the programme, but without increasing its capacity. The Commission has stressed that spending on energy research will have to be increased. During 1974 £400 mn. (950 mn u.a.) will be spent in the Nine and £30 mn. (70 mn. u.a.) by the Community on

energy research. This total of £430 mn. is 1% of the GNP of the Nine, of this 7% is allocated via the Community Budget. The Commission wants to increase the total amount spent on energy research to £625 mn. (1,500 mn. u.a.) per year. This would be more or less equal to the level of spending by the U.S. and Japan in this field. It is hoped the above energy research programme will result in an increasing percentage of the necessary funds being transferred from national budgets to the Community in the course of time, with the planned appropriations in the Community budget rising to 25-50% of the total expenditure on energy research in the Community.

Energy production plays a major role in polluting the atmosphere, therefore any energy policy must be closely co-ordinated with the Community's policy on the environment. It is possible the use of fossil fuels is responsible for 60-80% of atmospheric pollution. Nuclear power stations can pollute rivers and other waterways and there can be radioactive emissions from these and other nuclear installations. Unless effective counter-measures are adopted rising energy consumption will lead to increased atmospheric pollution. Of present pollution problems in addition to those mentioned above, the most pressing ones are vehicle exhaust gases, sulphur emissions from electricity generating stations, refineries and other plants.

In May 1974, the Commission put forward a resolution to the Council for its June 13th meeting in Luxembourg concerning energy and the environment. This called on Member States to reduce pollution caused by energy production and consumption, particularly from thermal discharges, sulphur dioxide, and nitrous oxides.

The Commission believes that its proposals for a European Energy Programme could be carried out successfully if the Community were empowered to issue appropriate regulations which would be directly applicable in each Member State and which on adoption could either supercede the existing regulations of the individual States, or close the gaps in the various national laws.

³ See Appendix 3 for text of this resolution

EUROPEAN UNIONS DEMAND EUROPEAN ENERGY POLICY

In March this year at a special conference in Luxembourg, the European Trade Union Confederation called for co-ordinated action on the energy crisis at European level. Such action should take particular account of the less favoured social groups, so that they are not again the main sufferers from a crisis situation; should encourage the development of the countries of the Third World whether or not they have oil reserves.

The Conference believed that the following five points were essential to a European Energy Programme:

- 1. Economies in the use of energy.
- 2. Setting up of a vast programme of research and development.
- 3. Organization of use of nuclear energy within a framework established by the public authorities.
- 4. Immediate review of European coal policy in the perspective of diversification of resources.
- 5. Carrying out of the energy policy in the spirit of a public service, especially in the oil sector, where multinationals have retained excessive powers.

The ETUC also called for two European conferences to be held. It wanted a social conference, to plan ways to safeguard employment and living standards of workers, to take place as soon as possible, and an extraordinary energy conference, grouping Community institutions, member states, employers and trade unions, should be a first step towards the creation of a permanent commission for European action on energy problems, in which the unions would play a full part.

CONGRESS OF EUROPEAN TRADE UNION CONFEDERATION

MEETS IN COPENHAGEN

The European Trade Union Confederation (ETUC) held its first extraordinary congress from May 23rd-25th in Copenhagen. This was the second meeting of the ETUC which was founded in February 1973 in Brussels, by the socialist and social democratic trade unions of Europe, these are affiliated to the International Confederation of Free Trades Unions. The May Congress was attended by about 300 delegates and covered by a 100 journalists. Observers attending the Congress included O. Kersten, the General Secretary of ICFTU, J. Kulakowski, The General Secretary of the European Organization (WCL), representatives of Histadrut, a delegation from the Coordinating Bureau of International Youth Organizations, representatives of The European Commission, the Economic and Social Committee, and the Commission's Trade Union Division.

The Lord Mayor of Copenhagen and the Vice-President of the Danish Social Democratic Party both made speeches at the opening session of the Congress, which was chaired by Vic Feather. In his own speech, on the opening day, Vic Feather stressed the great importance of social policy. He also emphasised the need to make all those concerned with policy-making understand this and to realise clearly how social policy affects other fields of policy. He said the ETUC must not accept attempts by the governments to say that foreign policy, monetary agreements or freedom of enterprise are the overriding policies. He emphasised, "We are discussing social justice, social advance, social control of industry, the accountability of multinational corporations, the basic needs of ordinary people for security and protection. The basic requirement of trade union organisations like ours is to be heard - and more than to be heard - to be told the facts, the intentions. Our right is the right to know, to comment, and to influence. It is based on our power to represent. There must be no doubts about that."

The main items on the agenda for the Congress were the enlargement of the ETUC, the adoption of an action programme for the next two years, and the election of the Executive.

The first major question was that of enlargement. On May 23rd, the Congress ratified the affiliation of 12 new members¹, bringing the total membership to 33 mn. The new members are the CSC (Belgium); FDT (Denmark); STB (Spain); CFDT (France); LCGB (Luxembourg); GWU (Malta); NKV and CNV (Netherlands); CGS and SVEA (Switzerland); SAK (Finland) and ICTU (Ireland). Most of these unions have links with the world Christian Labour Confederation. Only the small French Union - " Force Ouvrière "

¹ For Membership of ETUC see Appendix 4

voted against the enlargement. In its opinion, such an enlargement would put the ETUC in danger of losing its identity, its cohesion, and therefore its efficiency through the accession of all these disparate groups. In addition to accepting the twelve new members mentioned above, the Copenhagen conference also discussed the entry of organizations with pro-Communist leanings such as the Italian General Confederation of Labour (CGIL). The possibility of affiliation had been raised by the CGIL some months ago and had been considered in the Executive Committee several times. The Congress, with only the Force Ouvrière dissenting, authorised the Executive Committee to continue the discussions and to proceed to full affiliation without a further meeting of the Congress (which normally has to ratify affiliations approved by the Committee). The next Committee meeting was scheduled for July 9th. It was expected that within a few months, the 2.7mn. members of the CGIL would join the great European trade unionists family under the banner of the ETUC.² This will be a "mini-revolution", but it should be stressed that it is an operation limited to Western Europe.

Social Action Programme

The draft social action programme of the ETUC was presented to the Congress on the 23rd by Theo Rasschaert, the General Secretary of the ETUC. He reminded the delegates of the responsibility they bore at this Congress because they were speaking and acting in the name of 33mn. trade unionists in Western Europe. Having analysed the key features in the development of the economic and monetary situation since the creation of the ETUC, Rasschaert noted that the profound change in relations between the different factors determining the economic mechanism - rise in basic commodity prices, energy crisis, monetary crisis, etc. - had not led to any upheaval with regard to policies. He said, "In the face of raging inflation and the increasing difficulty of taking economic decisions, governments are resorting to a policy of global check on demand in exactly the same manner as they did in the fifties".

Rasschaert urged trade unionists to abandon certain ready-made formulas and outlined the main courses of action with which the ETUC should respond to the challenges confronting workers in Europe today.

Four fields of action were analysed: the fight against inflation, control of multinationals, extension of employees' rights and representation at all levels, and the solution of the energy crisis. This last item was seen as a perfect example of Europe's present difficulties, and one which also raised the problem of the Third World to its full extent. (m)

2 The executive Committee accepted their application for affiliation in June 1974

The draft proposed, as an immediate measure in the fight against inflation, the establishment at both national and European levels, of a system of price control in the form of price commissions jointly composed of workers and employers. Failing a European level commission, a special authority, a kind of European Price Court, could be created. This would be permanent, largely autonomous, and have some of its judges appointed by trade union organizations.

Rasschaert went on to state that, as experience had proved, multinational companies present all European workers with challenges to which the ETUC must respond as such. The multinationals greatest challenge is that of the freedom of their investment policy, which is made possible by self-financing and the existence of the Euro-dollar market, an uncontrolled capital market of unknown size. In addition to measures for the publication of balance sheets and the right of control by workers and trade unions, the ETUC advocates prior control of concentrations, fiscal controls over multinationals and the restoration of order in the international monetary system. Failing success on this last item, Rasschaert said it would be vital to begin to re-establish monetary stability between the European countries. He added, "To our minds, economic and monetary union has never been a gadget for European technocrats, but a method of transposing the means for control and intervention possessed by the trade union organizations from the national to the European level".

Rasschaert explained that the extension of employees rights at all levels involved establishing at European level, the right to information, consultation and concertation presently enjoyed at national level. These rights must be established at European level in the form of confrontation between representatives of governments, European institutions, employers' organizations and workers' organizations. He reminded the Congress that the Council of Ministers was soon to discuss the approximation of legislation on collective dismissals and on the maintenance of employees' established rights in the event of mergers, concentrations and transfers of branches of an enterprise. The ETUC wants such minimum standards, not confined only to the Nine, but extended to the whole of Europe.

On the energy question Rasschaert recalled the conclusions of the ETUC conference of March 15th-16th, 1974 in Luxembourg, which had been sent to the Congress for a final decision. These conclusions were mainly concerned with saving energy, setting up a wide programme of research and development, organizing the use of nuclear energy with regard for safety of human life and the environment, and revising the coal policy. He added that the Congress would also have to express an opinion on the principle of creating a European Petroleum Agency and on the opportunities offered by this principle: public management of the oil sector

on a European scale.

He went on to stress that the need for concerted trade union action at European level must be accompanied by a responsible attitude towards the Third World for whom the oil crisis and its consequences are a catastrophe. "We as European trade unionists", he concluded, "must assume the responsibility of proposing the creation of a special fund for the benefit of these peoples. We as Europeans have to create on the interaction of forces allowing us to defend our interests and those of the most under-privileged countries of this world".

Discussion of the action programme was difficult and certain points which³ were in the draft did not appear in the final resolution. The Congress did not approve the proposal to create a European Petroleum Agency. This proposal was opposed by representatives of the TUC and EFTA countries, and to a lesser extent by the Germans. The non-Community countries rejected the idea because, in their opinion, there is no political power able to shoulder the responsibility for such an agency. The resolution confined itself to pointing out that the public authorities must assure and control "the running of the energy economy in the spirit of public service and in relation to the general good". The resolution calls for the speedy organization of a special conference bringing together the representatives of the governments, European institutions, employers and trade unions, in order to examine the effects of the energy situation on the economy and the purchasing power of the worker.

Another passage omitted from the final resolution was one criticizing the free economy. The original text showed the political authorities bear a heavy responsibility for the current problems of the European economy because they have played the games of the large companies and capitalist groups.

Most of the rest of the claims are of a more classical kind such as the promotion of trade union rights, guaranteed incomes, rights of migrant workers, etc. It also lists a series of less usual claims on the trade union level such as the contribution to détente between East and West and the definition of new relations between Europe and the developing countries.

Lastly, with regard to Portugal, which had sent a number of observers to the Congress, the ETUC committed itself to assuring the trade union organizations there of the assistance necessary to strengthen Portuguese democracy. The resolution added that the ETUC will give special support to trade unions fighting

³ See Appendix 5

clandestinely under dictatorships. At the beginning of the second day of the Congress after an emotional welcome by the Congress, the Portuguese representatives had thanked the unions of the democratic countries of Europe for their support during their struggle to secure recognition and a greater degree of democracy in Portugal..

Election of the Executive

The last item on the agenda was elections. Heinz Oskar Vetter, President of the German DGB, was elected President of the ETUC, succeeding Vic Feather, Theo Rasschaert was re-elected Secretary General and Per Carlsen of the Danish LO, was elected as Assistant Secretary General.⁴

⁴ For composition of ETUC Executive Committee and Secretariat see appendix 6

COMMISSION PLANS EUROPEAN CENTRE FOR VOCATIONAL TRAINING

The Commission is encouraging trade unions to take part in the running of its planned European centre for vocational training. The centre will provide a means of intensifying and improving vocational training throughout the Community within a framework of active Community-wide employment policies. It will be administered by a Management Board of 15 members appointed by the Commission. Community level organizations of employers and workers will each propose five members of the board, and the Commission will nominate the remaining five. The management board will have a renewable three year term of office. There will also be a Committee of 18 experts nominated by the member states, to advise the management board and the Director of the Centre. Under the present proposal the Director would be appointed by the Commission, but in the discussions in the working group of the Economic and Social Committee it became clear some people think he should be chosen by the board. An annual subsidy provided by the Commission will subsidize its annual running costs which are expected to be about £700,000 (1.8 mn. u.a.). The location of the Centre will be decided by the Council of Ministers.

The Centre will be one of the principle means of aligning vocational training standards within the wider framework of implementing the common policy of vocational training. Its general aim will be to give a European dimension to the development of vocational training. To encourage this it will assemble documents and research, ensure the dissemination of useful information and help develop and co-ordinate research.

Activities may include:-

- (1) organizing courses, conferences, pilot schemes and seminars
- (2) allocating research contracts and granting financial aid to individual researchers or institutes for carrying out specific projects
- (3) editing and distributing a Community bulletin on vocational training
- (4) collaborating with specialized bodies, public administrations, educational authorities and with organizations of workers and employers.

The Commission has already sent the Council a proposal for a Regulation on the Centre for Vocational Training, based on

Article 235 of the Treaty. The Council has already consulted both the Economic & Social Committee and the EP on this. The Council originally decided in principle to set up such a centre in its resolution of 21st January 1974.

The Commission wants the Centre to have its own legal personality but at the same time to maintain very close links with the Community's institution. The three reasons the Commission believes the Centre should have its own legal personality are,

- (1) it would be better able to ensure the participation of labour and management,
- (2) to ensure more extensive and far-reaching contacts with other bodies concerned with vocational training,
- (3) to give greater impact to Community action on vocational training.

There has been criticism of the need for a separate legal personality, which some people feel will limit the role of the Commission in the Centre.

The Centre should be a flexible and dynamic technical instrument of the Community and its staff should number no more than 20-25.

The Centre should not duplicate the work being done at other vocational training centres, either national or international, but should work with these older centres and learn from them whenever possible. The new Centre could organize model vocational training courses in which new methods were tested.

The section for Social Questions of the Economic and Social Council said in its report on the Establishment of a European Vocational Training Centre that as applied to the institute the term "vocational training" should be given the widest possible interpretation, to cover all activities directly or indirectly helping not only the young, but also unskilled workers and those workers with some years of experience behind them to enhance their prospects on the labour market by improving their skills, at all stages in their working lives. Special interest should be taken in female workers, women wishing to work, and self-employed persons. The 12 mn. handicapped and the elderly workers also deserve more concern.

NEW LEGAL PROTECTION FOR WORKERS' RIGHTS IN CASE OF MERGERS

New Safeguards for British workers will be introduced if the Council of Ministers adopts a new Commission proposal to provide legal protection for workers' established rights when mergers or takeovers take place.

In the Spring of 1974 Dr. Patrick Hillery, Commissioner for Social Affairs, presented the initial draft proposals to the Commission. The draft directive has now been approved by the Commission and sent to the Council for adoption.

Comprehensive protection of workers' rights, including the continuation of the employment relationship, is maintained by special legislation only in Germany, France, Italy and Luxembourg. In the rest of the Community, the concept of transfer under civil law continues to apply in principle. Usually the protection provided for workers' rights in the case of changes of ownership are inadequate. This inadequacy, plus the varying laws on the subject in different member states, runs counter, in the Commission's view, to the social aims of Article 117 of the Treaty. This Article states the need to promote the improvement of working conditions and an improved standard of living for workers, harmonising in an upward direction.

Economic development has brought about an increasing concentration of industry, usually via mergers or takeovers. In the original Six, mergers and takeovers rose from 173 in 1962 to 612 in 1970. Although such concentrations may sometimes be good for industrial turnover, it can pose very real threats to the acquired rights of the workers in the companies concerned. Major structural changes in companies often exert a profound influence on the rights and social situation of the people working there. Where such changes take place according to civil law rules of transfer, workers have no legal right to have their previous employment relationships passed on automatically to the employers. Where the new owner refuses to keep on previous employees, workers usually lose their jobs. However, even where the new employer is willing to keep the old employee on, he still has the legal right to make further employment dependent on a change in the terms of work and thus abolish the established rights of the workers who are transferred.

Objectives of Directive

By this new directive the Commission wishes to place workers affected by a change of ownership or control in a

position where their rights are as secure as they would have been had no change occurred. The Directive, which is one of the 'priority actions' contained in the Social Action Programme has three main objectives:

1. Automatic transfer of employment relationship.
This means that existing terms and conditions of employment would be continued and acquired pension rights would be in no way impaired. These rules will apply even in the case of international mergers and for non-joint stock companies, i.e. nationalized industries.
2. Change of employer should not be grounds for dismissal.
The change of employer cannot, as a general rule, be the motive for dismissal unless there are other pressing business reasons for such a change.
What constitutes reasons for such a change is laid down in the laws of the Member States. The directive also ensures that workers do not lose entitlements which they have received through their previous service and that rights acquired under supplementary social insurance schemes are maintained. The new employer also must respect the terms of existing collective bargaining agreements.
3. The informing of workers' representatives of the intention to implement the proposed changes, and the provisions of procedures for consultation and negotiation with workers' representatives in the event of the latter not agreeing to the proposed changes, with, in the last resort, an agreed arbitration procedure.

The Directive

Art.1 lays down the scope and application of the proposed Directive:

- it applies to any merger between companies or firms as defined by the second paragraph of Article 58 of the EEC Treaty and which has the result that another company replaces an existing company in its capacity as employer.
- it applies to any takeover where individual businesses, places of production, subsidiary business or other organised work unit or parts of the same are transferred from a person, group of persons, or an undertaking to another person, group of persons,

or undertaking in such a way that the latter replaces the previous employer in that capacity.

- it applies to the above operations irrespective of whether the merger or takeover takes place between undertakings in the territory of one or more Member State or between undertakings in the territory of the Member States and undertakings in third countries. For obvious reasons it is not possible to impose the planned Community rules on non-member countries, but it is desirable to protect the rights of workers in the following two cases. First, where undertakings in third countries are incorporated into undertakings situated in the Community. Second, where undertakings situated in the Community are incorporated in undertakings in third countries.
- the definition of companies used in the Directive is wider in application than other draft Commission proposals (e.g. the draft Third Directive on Mergers) and includes companies other than joint stock companies. These include co-operative societies, nationalised industries, and all bodies covered by private and public law, except those which are non-profit-making.

Art. 2 defines the legal terms "transferor" and "transferee" as used in the Directive:

- A "transferor" is any natural or legal person or group of persons that ceases to be an employer under one of the procedures referred to in Art.1. A "transferee" is any natural or legal person or group of persons that replaces the transferor.

Automatic Transfer of Employment Rights and Obligations

Art. 3 provides for the automatic transfer to the "transferee" of the employment relationship, including rights and obligations established between the "transferor" and the workers concerned:

- the employment relationship of all the transferor's employees must be transferred to the transferee to ensure that no one or more workers are excluded from the takeover or merger arrangement and thus given notice.
- the employment rights and obligations entered into by the transferor, including those based on industrial custom and practice, are automatically transferred to the transferee.

- the transfer of rights and obligations based on collective agreements requires different arrangements to meet the differing circumstances which may exist:
 - (a) rights and obligations based on plant and company agreements concluded by the transferor are to be automatically transferred to the transferee.
 - (b) where the transferee is not bound by the same trade association's collective agreement as the transferor, the transferee shall nevertheless respect the terms of the existing agreement, except where the latter extends for an unlimited period of one year from his entry into the employment relationship.
The above provision will not apply where the transferee is bound by another trade association agreement which also covers the transferred undertakings.

N.B. The above represents a compromise between the desire to protect workers' negotiated rights, and recognition of the undesirability of imposing on the transferee against his will a collective agreement to which he was not a party.

Art. 4 is concerned with the workers' rights in relation to dismissal or the voluntary termination of employment, following a merger or takeover:

- mergers and takeover do not in themselves constitute a justification for dismissal of employees by the transferor or transferee. This provision is necessary to ensure that the Art. 3 provisions for safeguarding workers' rights cannot be circumvented by the dismissal of workers on the occasion of the transfer.
The ban on dismissals in connection with mergers and takeovers does not, however, apply to notice of dismissals which have to be given for pressing business reasons.
The concept of "pressing business reasons" is not defined in the Directive, but is a matter for the legislator and the Courts in the individual Member States.
It is, however, in line with the aims of the Directive that this justification should only be invoked when efforts have been exhausted to provide alternative employment in the undertaking concerned, through such measures as re-deployment and/or re-training.
The Directive does not specify legal sanctions in cases where dismissals occur in contravention of Art. 4.

The legal consequences "shall be decided according to the laws, regulations and administrative provisions regarding financial compensation for dismissal, and other legal requirements, are not affected by the Directive.

- Art 4 also states, importantly, that where an employee voluntarily terminates his employment, because the merger or takeover has substantially changed his working conditions, such termination "shall be deemed to be due to the action of the employer". The legal consequences of this provision, e.g. entitlement to severance pay, are those prescribed by the individual Member States.

Art. 5 deals with cases where an employee's place of work is changed as a result of a merger or takeover:

- The Article provides that Art. 4 is applicable, mutatis mutandis, where an employee's place of work is changed as a result of a merger or takeover. The effect of this is that a change in the place of work is only permissible for "pressing business reasons" and that the worker can terminate the employment, as under Art. 4, if this change represents an essential change in his terms of employment. Art. 5 does not, however, apply where the worker's employment contract requires him to comply with a request to change his place of work.

Art. 6 is concerned with workers' rights which are related to length of service:

- it states that the workers length of service with his present undertaking or company will be taken fully into account when determining his new employment relationship with the transferee. The legal implications of length of service may be specified by collective agreement or in accordance with the provision of law. They may determine a wide number of matters, e.g. the length of convalescent leave, special social benefits, seniority bonuses, etc.

Workers Representation and Consultation

Art. 7 asserts the maintenance of the function and status of workers' representatives after a merger or takeover.

- the function and legal status of bodies responsible for defending workers' interests shall not be affected by the merger or takeover. Hence the proposed directive does not interfere with existing national arrangements and structures of workers' representative organisations.

- the above provision shall not however apply where changes in the composition of the body of workers occur and, resulting from the laws, regulations, and administrative provisions in the Member States or Community law, necessitate the holding of new elections for the workers' representatives. This is, for instance, the case in West Germany when a new combined general works council is formed as a result of the amalgamation of two companies.

Art. 8 describes the procedural provisions guaranteeing that workers' representations should be informed and consulted, and be able to negotiate, about the consequences of mergers and takeovers:

- both the transferor and the transferee must, before carrying out the proposed operation, inform their respective workers' representatives fully and in good time about any changes envisaged. This information must include the reasons which led them to consider such an operation and the legal, economic, and social consequences for the workers. Moreover, the employers must indicate what measures are to be taken in relation to the workers. If the workers' representatives so request, a discussion must take place immediately on the content of the information supplied.
- at the request of the workers' representatives, who may consider that the merger or takeover is likely to be prejudicial to the interest of the workers, the transferor and the transferee are required to enter into negotiations with a view to reaching an agreement on measures to be taken in relation to the workers.
- if negotiations fail to secure agreement within two months either party may refer the matter to binding arbitration. The arbitration board shall consist of a number of assessors, one half nominated by the employer concerned, the other half by the representation of the workers, and a president nominated by the common consent of the two parties or failing that by a competent Court.
- the obligation to observe the above consultation, negotiating, and arbitration procedures cannot itself, however, prevent or defer the implementation of the planned changes.

Occupational Pensions and Related Benefits

Art. 9 defines the responsibility of the transferee in relation to the entitlement of workers who have already left the

acquired company at the time of the merger or takeover to occupational pensions and related social benefits.

- where the assets from which current pensions and/or social benefits of former workers are to be paid is transferred from transferor to transferee then the latter shall be obliged to continue such payment.
- where the body of assets out of which claims for pensions and other social benefits are to be met is not transferred to the transferee, the Member States shall take appropriate legislative measures to ensure that the claims of former employees of the company are met. Clearly, the acquirer of a company cannot be expected to continue paying social benefits if the assets are not transferred to him. Member States will, however, be free to make their own provisions, but they are being required to adopt those measures as are necessary to ensure that such claims are met. One possibility, for example, might be a legal obligation to constitute a reserve fund to meet current social benefits in the case of mergers and takeovers.
- entitlement to benefits for workers who are still employed at the time of the merger or takeover are, of course, covered by Article 6 of the Directive.

Special Rules Governing Conflicts of Law

Art. 10 specifies the circumstances in which the labour laws applicable in the Member States may vary in their application to employment terms and conditions after a merger or takeover has taken place.

- in general, where international mergers are concerned, there is no valid reason for altering the applicable labour laws; hence the labour laws which are applicable to terms of employment prior to the merger or takeover shall also apply after the merger has taken place.
- however, a different situation arises where the workers' terms of employment have changed in a manner permissible under Article 5 of this Directive, i.e. when the employee under the terms of his employment contract, is bound to accept transfer to another undertaking. Three practical cases may be instanced:
 - (a) where the employee is legitimately transferred to an establishment in another country;
 - (b) where the whole of the undertaking which has been acquired, or the production centres which have been acquired, are transferred to another Member State

and the worker is transferred with them;

(c) where the transferee desires, in so far as is permissible, to conclude an agreement with the senior staff of the undertaking which he has taken over on the arrangements concerning the labour legislation which will apply to the undertaking's head office abroad.

- in this special situation described above, however, there is no necessary implication that the worker is willing to give up rights which belong to him individually whether on the basis of an explicit contractual agreement with the transferor or by virtue of custom and practice. Hence, these workers' individual rights will remain unaffected even though the labour laws applicable to the employment relationship may change.

Amalgamations other than Mergers or Takeovers

Art. 11 is concerned with the protection of workers' established rights in cases where amalgamations take place in such a way that the undertakings involved remain legally independent and the identity of the employer is retained, but where control may be exerted by one undertaking over the other in relation to the terms and conditions of employment of its workers:

- Art. 4, 5 and 8 of the Directive shall apply in the case of amalgamations between undertakings in which, though the identity of the employer is retained, the control of one undertaking over the other is established by contract. The Directive does not give its own definition of the concept of control, but refers back to Art. 2 of the proposal for a Council Regulation on control of amalgamations (see Official Journal C/92 of 31.10.73).
- In such cases the controlling undertaking may exercise considerable influence upon the form of the employment relationship in the controlled undertaking, with possible adverse effects on the worker's terms of employment. The effect of Art. 11 is that those provisions, and only those provisions, for the proposed Directive shall apply which have as their objective the protection of employees from an unjustified dismissal or an important change in their terms of employment, and that the procedure laid down in Art. 8 for informing, consulting and negotiating with the workers shall also be applicable.

Final Provisions

Art. 12 makes clear that the proposed Directive is intended to provide only minimum protection, and that any law, regulations

and administrative provisions in the field existing in the Member States which are more favourable shall continue to be applicable.

Art 13 and 14 contain the necessary implementing provisions for adoption of the proposed Directive by the Member States.

THE COMMUNITY HELPS MIGRANT WORKERS

Migrant workers have always constituted a peculiarly intractable social problem. National social security systems have in the past found difficulty in coping with their needs, and the conditions in which they have lived have often been miserable. In addition, there were the tensions caused by the presence of large numbers of migrants in different European countries. It was for all these reasons that the Commission of the European Communities wished to extend Article 4 of the Social Fund to migrant workers - a proposal which has now been accepted by the Council of Ministers.

While the financial support will not be large in relation to the problems, this represents the first positive step to deal directly at Community level with the employment and settlement problems of migrant workers.

Migrant Workers

The total number, excluding migratory trends within countries, employed in the nine Member States, at the beginning of 1973, was assessed at some 6,200,000 persons. With their families, the total is nearly 11 million. The existence of large numbers of migrant workers, 80 per cent of whom come from countries outside the Community, can cause severe social problems.

The Social Fund, and in particular Article 4, provides a means by which the Member States can undertake 'specific joint actions' in favour of migrant workers.

The Commission was anxious in proposing action under Article 4 to promote operations which constitute part of 'integrated action programmes' in favour of workers moving from one country to another within the Community. Hence priority should be granted to operations which ensure both the effectiveness and the continuity of the action linking the various stages of migration, extending from preparation for emigration to the return to the country of origin.

Training Staff

An important element in such operations is the training of the staff of bodies who deal with the problems of migrant workers. It is essential to be able to rely on a competent staff in the key positions which carry a responsibility for migrants. The Social Fund can be an important means of assisting the training of persons on whom the success of every operation organised for migrant workers depends, whether they are integrated programmes or integration measures. The staff may be welfare workers of

teaching staff for adaptation courses.

The distance covered by a migrant worker inevitably puts him and/or his family in contact with a variety of public, semi-public or charitable organisations, who specialise in aid for such workers. The activities of these bodies include such various tasks as practical information, psycho-medical and social assistance, material aid, assistance in finding employment and education, for which it is assumed that the staff of these organisations have wide ranging qualifications. Any action aimed at encouraging the training of such staff could thus contribute directly to improving the quality and the effectiveness of assistance and would, at the same time, help the setting up of competent consultants who could assist in the preparation of migrant workers aid programmes.

The Commission had proposed, in its original submission to the Council, to grant aid for expenditure to provide initial hostel accommodation for migrant workers and their families. However, the Council of Ministers were reluctant to agree to this proposal because it was feared that it might encourage migrant workers to stay indefinitely in temporary accommodation. The whole question is now to be studied by an inter-service group in the Commission which is preparing Community policy on migrant workers.

A Commission proposal to give aid towards expenditure on classes adapted to the special needs of the children of migrant workers was accepted by the Council. So also was a proposal to give aid to training welfare workers and teachers dealing with the integration of migrant workers and their families.

Benefits

Migrant workers from the nine Member States within the Community may thus benefit from the full range of Social Fund aids towards integrated programmes to deal with the problems arising from their migration. Migrant workers from outside the Community may also benefit from most of the Social Fund aids, providing the schemes involved are integrated schemes, with the exception of aid for the retraining of migrant workers. Thus an integrated programme covering the latter and larger group of migrant workers and their families would qualify for financial assistance towards the cost of reception facilities, information and guidance services, language training and some hostel service.

It is obviously difficult to give any precise figures for the amount of aid which may be granted under Article 4 in a given year. However, the likely range of expenditure might be between £10 mn. and £17 mn. per year. Of this total sum the cost, under integrated programmes, of vocational retraining would be between £7 mn. and £9mn, covering between 13,000 and 12,000 workers in a year. The remainder of the annual global sums would be aid to expenditure on various other 'integration' measures.

NOTES

● ITALIAN AND DANISH MEASURES SHOW COMMUNITY'S FLEXIBILITY

Both Italy and Denmark have recently had to take special measures to reduce their commercial deficits. Neither case actually infringes the Treaties, but many people saw such actions as raising doubts about whether an effective common market still exists. The Commission and other member governments were also worried about the new Italian restrictions which included agricultural imports in the deposit scheme. This created difficulties for German, Danish and French farmers. Farmers' organizations in all three countries are well organized to exert pressure on their governments and are seldom slow to voice their demands. Also, the measures seemed to strike at two major principles of the Community, free circulation of goods and the CAP.

Italy

The Italian measures, a six month, 50% deposit on imports, were taken in accordance with Article 109 of the Treaty of Rome. They show that in times of national economic problems, the Community is a flexible institution which allows Member States to take urgent unilateral action in case of a sudden balance of payments crisis. Free trade has now been restored to farm products and the Italian measures are based on Article 108, which allows special dispensation to a State in balance of payments problems.

In light of the very grave crisis Italy was facing, the Italian Government had to take drastic steps. The import deposit is a classic technique for slowing down imports. It was used by the British Government in similar circumstances between 1968 and 1970. Import deposits should reduce the money supply, strengthen the Lira and slow down private consumption. In Brussels, Signor Emilio Colombo, the Finance Minister, stressed that the measure was only temporary and would be ended as soon as possible; that energy, raw materials, and goods intended for capital investment were excluded, and the deposits must be considered in relation to the wider inflation-control package of which they are a part.

Despite the reassurances, the Commission decided the Community should supervise the Italian measures and proposed a five point plan to do this.

The Council was unable to agree on all these proposals and in the absence of such an agreement, the Commission has taken action under the EEC Treaty. It has made recommendations to the Italian Government about its economic policy and has laid

down conditions for agreeing to import deposits. The Commission also planned to monitor measures in industry and to have a first general re-examination before July 31st. Agreement was reached in the agricultural sector to replace the Italian measures by a system more in accordance with the CAP.

Denmark

The Danish measures do not infringe the Treaty of Rome because they do not discriminate between domestic and imported goods. Some of the measures are temporary and some permanent. All are either increases in various taxes, licences, or duties. The objective of these increases is to restrain consumer spending to reduce demand in important sectors (cars, domestic appliances etc.).

Between 1973 and 1974, the trade deficit doubled to reach 4.5 thousand million kroner in the first three months of 1974. Official reserves fell by 991 mn. kroner between December 1973 and April 1974. The measures taken by the Danes were in the framework of a restructuring of the whole tax system and should reduce consumer demand. The measures will affect imports, notably cars. The new tax increases affect products which account for about 7% of Denmark's total imports.

In both cases the Commission has tried to help. It has not been rigid or legalistic. It has tried to understand both the problems of Italy and Denmark, but at the same time prevent these being solved in ways harmful to other member states or to the Community as a whole. This should reassure those in the UK who fear membership in the Community will mean the UK's economic problems will be ignored by Brussels or that the UK will be forced to conform to Community rules, regardless of what kinds of disaster doing so might cause within Britain.

NEW MEASURES TO EASE BEEF CRISIS

In July the Council of Ministers agreed to a new system of seasonal payments to ease the beef crisis. This crisis which was brought about largely by low beef prices and the high cost of feed grain, has forced some national authorities to buy in beef and has led to measures to boost home consumption. For the first time since the common beef policy was introduced six years ago, support buying has been used in a big way to prevent farmers' return from dropping so low as to endanger future beef supplies. No beef has been bought in by the British Authorities, but there are about 85,000 tons in official stores throughout the Nine; mainly in Germany, France and Ireland. The key problem facing the Community is how best to reconcile the interests of consumers, producers and non-Community suppliers.

NEW SYSTEM TO SOLVE BEEF PROBLEM

By late July a new system of seasonal payments to ease the beef crisis without raising meat prices had been agreed by the Council of Ministers. This system should both encourage more orderly marketing of beef and give farmers more confidence in beef production for the next few months. About 5 mn. beef cattle throughout the EEC could qualify.

The payments are fixed according to a seasonal scale. Governments can introduce them in August, the rate will increase during the year. Farmers who delay in selling until next Winter when beef is expected to be less plentiful, will benefit from a higher premium than those who sell in the summer or autumn. The Council will be free to reduce or suspend the premia if market prices improve substantially.

Governments wishing to introduce the scheme in August will bear the full cost until November, when the Community Farm Fund (FEOGA) will meet half the cost. The Fund will pay 60% in January and 70% in February. The system may be continued in March and April 1975, subject to a Council decision before the end of the year. When the UK introduces the premium in August, Ireland will receive a 50% Community subsidy to run a parallel programme. This new measure is an important extension of the Community's beef market organisation, which has been under considerable strain as a result of a large increase in production and a cut-back in demand.

OTHER NEW MEASURES ADOPTED OR ENDORSED BY COUNCIL

1. Between July 17 and October 31, no licences will be issued for beef imports from outside the Community. This will not affect licences already issued, nor the beef imports found in GATT.
2. Governments will be able to set up a system of subsidies to provide beef at half price to ready consumers. Half the cost would be met by the Farm Fund. This scheme would apply to beef supplied through the usual retail channels.
3. Beef in intervention stores will be made available cheaply for catering in non-profit making institutions such as hospitals and old people's homes. Irish and Danish beef could be used in Britain.
4. The Community budget will contribute 3 mn. u.a. (nearly £1.5mn) for a campaign to encourage beef consumption.
5. Member States have been told to suspend VAT on beef sales.

6. The Commission has contacted the World Food Programme to establish what quantities of intervention beef can be used as food aid. According to Mr. Lardinois, demand could amount to 35-40,000 tons of beef.

The package of new measures so far adopted and those already in existence should make it easier to dispose of existing stocks, ensure that more home-produced beef is used, and please suppliers so as to avoid a further collapse in farmers' prices. Consumers should be able to take advantage of the present abundance of beef. A fixed rate of export subsidy is available for exporters, but the Commission has made it clear that there is no question of exporting beef at a special knock-down price to the USSR or any other country.

UK TO GET £5 mn. FROM FARM FUND

The European Community's agricultural guidance fund is to give to Britain £5mn. in grants for modernising of agricultural processing and marketing facilities and improving the structure of the fishing industry. The grants are for large individual capital projects which may be undertaken by framing co-operation, companies or local authorities. The Farm Fund can provide up to 25% of the cost of each project. It is up to the national government to make a further contribution to the investment. These grants from the Farm Fund are the first made in the UK since British entry. A total of 41 UK projects qualify for the £5 mn aid. This is out of a Community total of 296 projects receiving £33 mn. in grants.

WIDE RANGE OF PROJECTS

The largest project to receive aid from the Community Farm Fund will be a wholesale food market in Birmingham (£1,270,675). There are milk product enterprises in Lorkie, Wigtownshire; Maelor, Flintshire; Llandyrnog, Denbighshire and Lockerlie, Dumfriesshire. A whole fruit and vegetable market in Belfast can also receive help, as can several of fisheries projects. These include a wholesale horticultural and fish market at Bradford, Yorkshire and building and equipping eight fishing vessels to be based at Peterhead, Aberdeenshire. Aid for improving agricultural infrastructure will be given to land drainage and flood prevention measures in Cambridgeshire, Herefordshire, Lancashire and Yorkshire. Five processing and storage projects in Northern Ireland qualify for a total of £550,373 in grants. A further £208,422 is being set aside for the construction of a pig slaughtering and processing plant near Londonderry.

COMMUNITY INSTITUTIONS

The European Atomic Energy Community

In 1957 the Six signed the Treaty setting up the European Atomic Energy Community (Euratom). This was done for two main reasons, the realization by the Six that atomic power would be needed on a large scale to meet their growing energy requirements and their desire to reduce the lead of the US, the USSR and the UK in the field of peaceful nuclear development. To achieve this they decided to pool their efforts in this area which was too complex and expensive to be dealt with by national programmes. In addition, Euratom's rôle is to ensure that the Community members undertake complementary research programmes to develop nuclear energy, not only for power production, but also through the use of radioisotopes and radio-active sources for agricultural, industrial and medical purposes. Under the Treaty, which was signed in Rome, the Six accepted as a primary object the creation of conditions for the speedy establishment and growth of nuclear industries. To achieve this Euratom was to:

1. promote and coordinate research for peaceful purposes in Member States and complement national research with a Community programme of research and training.
2. ensure the dissemination of technical information
3. establish uniform health-safety standards and ensure their application
4. facilitate capital investment and ensure the creation of the basic facilities necessary for the development of nuclear energy in the Community
5. introduce arrangements to ensure that nuclear materials are not diverted from their intended uses as declared by the users.
6. ensure wide commercial outlets and access to the best technical facilities
 - a. by creation of a common market in specialized material and equipment
 - b. by the free circulation of capital in the field of nuclear energy
 - c. by establishing freedom of employment for nuclear specialists within the Community.
7. establish links with other countries and international organizations to foster progress in the peaceful uses of nuclear energy.

- Euratom also promotes the training of scientists and technicians.

The Commission was granted \$215 mn. for its first five year research programme (1958-62) and \$456 mn. for its second five year programme (1963-67). For the first 9½ years of its life the five-member Euratom Commission met separately from the nine-member EEC Commission and the High Authority of the Coal and Steel Community. In July 1967, the three bodies were merged, and one Commission is now responsible for carrying out all three Treaties. This originally had nine, but now has thirteen members.

From 1967 to 1973 Euratom has operated on tide-over programmes. In 1963 the six agreed to reorganize Euratom so that it could carry out nuclear research under contract for clients in the Community and to extend its activities to non-nuclear scientific research, especially where the projects involved other European states. The Council also decided to streamline Euratom's management to make its operation more flexible and to ensure effective coordination of the Community's nuclear activities. These reforms came into effect in 1971. In the 12 years up to 1970, the six spent about £160 mn. on research at the Community's own joint research centre, and some £32 mn. on research contracts awarded to public enterprises or private firms.

New Research Programme

Early in 1973 the nine agreed on a major new long-term research programme, extending to the end of 1976 for the most part. This will cost about £100 mn. over the four year period, and will cover both nuclear and non-nuclear work. The programme has two parts: the common programme made up of activities of interest to all members, which in future will be financed from general Community funds; and the complementary programme of activities not of general interest, to which member states contribute financially according to their interest in any of the projects which it embraces. The so-called 'direct' projects are conducted intramurally, while the 'indirect' ones are contracted out to national research institutions.

When the Council approved the Commission's proposal in 1973 for a multi-year research programme, it directed the Commission periodically to adjust its plans to meet the Community's changing priorities. In April 1974, the Commission made proposals to make such adjustments possible. In these proposals it stressed the problems caused by the energy crisis and added, in the light of this, some nuclear research programmes which had been reduced recently, should now be maintained or increased. In the programme on production of hydrogen, more

The Commission is to pass on both this information and the results of its own research programme, to would be users in the Community under non-exclusive licence or other appropriate arrangements.. These are provisions to protect the security of defence information and legitimate commercial interests of inventors.

Supply Agency -

When the Euratom Treaty was signed, it was assumed that nuclear materials would remain in short supply. The Supply Agency's task was to ensure an equitable distribution of these vital resources within the Community. However, nuclear materials have been readily available, and the Agency has never needed to fulfil the complete role established for it. However, it has been a useful Community forum and focal point for supply questions. It can on occasion act on behalf of the Community vis-a-vis 'third countries', when the full weight of the Community's combined market potential is an important part of negotiations. Nevertheless, in to-day's conditions its functions need re-examination, a task the Community will probably take up in 1974.

Safeguards, health and safety -

Euratom also exercises safeguards and control over nuclear materials. The Commission must satisfy itself that:

1. ores, source materials, and special fissile materials are not diverted from their intended uses
2. the provisions relating to supply, and any particular safeguarding obligations assumed by the Community under an agreement concluded with a third state or international organization, are complied with

The British Government, which is responsible for ensuring that similar safeguards are applied in the UK has set up a coordinating and control unit in the DTI for this purpose. Since January 1st, 1973 the UK has submitted to the European Commission a list of all its civil nuclear facilities. The Commission's Directorate of Euratom's safeguards in Luxembourg has contacted these facilities, and the declarations of the basic technical characteristics of the installations (design information) have been forwarded to it via DTI. Routine returns showing stocks and movements of source and special fissile material are also submitted to the government for transmission to Luxembourg. By January 1974, the Euratom Safeguards Directorate had sent five inspection teams to the UK to verify the design information and

operating records of certain nuclear installations. Although the Euratom Safeguards Regulations cover all users of ores, source materials and special fissile materials, the main effect is directed toward the major UK operators (i.e. BNFL; UKAEA; CEGB and SSEB).

To safeguard workers and the general public from dangers arising from accidental exposure to nuclear radiation, Euratom has evolved extensive basic safety standards for adoption by member states. The continuing task of updating the standards is supported by research by the Joint Research Centre in the radio biological field, and also takes into account the vital work done in such other organizations as ICRP. One aspect of health and safety which has been given new emphasis recently, and on which the Joint Research Centre has a project is the disposal of radio active wastes.

It is likely that in future the Community will increase its research into both nuclear energy and into other areas of scientific discovery of growing importance to Europe. As more expensive large scale research facilities are needed, the importance of Euratom and the use of its facilities can be expected to grow. Parts of it are likely to become very involved in projects having little to do with nuclear energy, while other sections of it will concentrate in depth on problems a wide scale use of nuclear power will bring.

When the EEC and Euratom were set up originally, the federalists put their great hopes on Euratom as the future unifying force in Europe. Nuclear energy for peaceful uses seemed not only a focus for imaginative policies, but also an essential need. The energy shortage of the late fifties soon gave way to a glut, technical advances lowered the cost of electric power stations, and the reassertion of nationalism made nuclear energy, especially in France, a subject on which Brussels was to have little way. Now the energy crisis is rapidly reviving European interest in nuclear power and in large scale projects, which no-one state can afford alone. Interest in Euratom is returning and in the 1970's much more should be heard of it than has been in the past.

BOOK REVIEWS

Directory of Unions in the European Economic Community - 1974
edited by Michael Williams; Graham Trotman Dudley Publishers Ltd.,
London 1974

This directory is a very useful guide to unions in the Community. It includes a brief introduction on European organizations of trade unions, followed by a short section on the characteristics of the Union Movement in each country, and a directory of its unions.

For each country the section is divided by national organisations and the member unions of each of these are listed. For each union the name, address, 'phone, leader, and kind of workers it represents are given. There are two appendices in the back; one giving statistics on industrial disputes in manufacturing and commerce for 1972, and the second showing the percentage of the workforce belonging to unions in each member state. Providing the book is regularly up-dated, it should be of great use to trades unions and employers and individual trade unionists as a guide to the key organizations which represent the Community's millions of workers.

APPENDIX I

DEPENDENCE OF COMMUNITY COUNTRIES ON IMPORTED ENERGY classified in decreasing order of dependence

1972	<u>Primary energy consumption</u>	<u>Primary energy production</u>	<u>Net imports less bunkers</u>	<u>Degree of dependence on imported energy +</u>
	millions of tons of petroleum equivalent			%
Denmark	19,5	0,1	19,8	99,6
Luxembourg	4,7	0,0	4,7	99,5
Belgium	44,3	6,7	36,6	82,8
Ireland ++	7,0	1,6	5,7	81,0
Italy	121,1	24,2	98,2	81,0
France	164,6	42,7	123,4	75,0
EUR-9	888,2	352,7	536,1	60,8
EUR-6	641,0	242,5	404,0	63,0
Germany	248,6	120,1	132,0	53,1
United Kingdom	214,6	108,5	106,7	49,7
Netherlands	57,7	48,7	9,0	15,6

+ defined by the ratio : $\frac{\text{Net imports less bunkers}}{\text{Primary energy consumption}}$

++ 1971

As a result of increasing petroleum consumption, the Community, like most of its Member Countries, has become dependent on imports for the greater part of its energy supplies. The ratio of net imports (less bunkers) to domestic consumption of primary energy rose from 30% in 1960 to 63% in 1972 for the Community of Six. The dependence of the Community of Nine on imported energy also exceeds 60% at present.

Source: Eurostat, Energy in the Community
selected figures 1973

APPENDIX 2

UNITED KINGDOM

	<u>Unemployment</u>	<u>Vacancies</u>	<u>Temporarily stopped</u>	<u>Unemployment (UK seasonal adjustment)</u>
1972 Oct.	829.6	216.6	15.1	815
Nov.	807.1	223.4	11.8	791
Dec.	781.6	228.3	7.4	762
1973 Jan.	823.8	235.4	9.5	736
Feb.	753.3	278.0	11.2	693
March	717.3	311.4	12.2	663
April	728.5	350.0	10.4	649
<hr style="border-top: 1px dashed black;"/>				
Oct.	537.2	486	9.1	542
Nov.	520.4	477	15.3	517
Dec.	513.5	456	8.0	502
1974 Jan.	635.8	383.5	914.9	562
Feb.	628.6	357.5	744.9	576
March	618.5	357.8	102.2	572
April	680.3	302.0	13.4	573

Source : Department of Employment, Gazette, London

Even before the mid-winter coal crisis developed, the rapid reduction in unemployment which had taken place during 1973 was already slowing down, with reductions of around 15,000 a month towards the end of the year compared with 30-40,000 a month at the beginning of the year.

APPENDIX 3

RESOLUTION ON ENERGY AND THE ENVIRONMENT

The resolution calls on Member States to reduce pollution caused by producing and consuming energy, particularly from thermal discharges, sulphur dioxide and nitrous oxides.

The full text of the draft resolution follows:

The Council,

Having regard to the Communication from the Commission of April 3, 1974, entitled "Preliminary Report on the problems of pollution and nuisances originating from energy production";

Note the constant increase in production and consumption of energy within the Member States of the European Community as well as by the world as a whole;

Having regard to their commitment to carry out the timetable laid down in the Programme of Action for the Environment, adopted by the Council on 22 November 1973;

Recognise that the consumption of energy can in the absence of suitable measures pose serious environmental problems, including problems connected with extracting energy resources, their transport, conversion, use and waste disposal;

Affirm that maintaining a sufficient level of energy production and protecting the environment are not contradictory and that, in the interest of general economic development, a harmonious balance should be established between them;

Note in this connection that every measure enabling energy to be saved is also a measure preserving the environment and that, equally, the principles of sound environmental management, e.g. techniques for recycling and reutilising waste materials may be important for the conversion of energy and of resources in the widest sense;

Stress that problems of supply, whether temporary or long term should not be considered a sufficient reason to relax efforts to protect and improve the quality of the environment;

Agree that it is incumbent upon the Community and Member States:

1. to take into account in all new strategies for energy policy the requirements of environmental protection;
2. to take in this context all possible measures to promote the conservation and the rational utilisation of energy resources

Appendix 3 (cont.)

including:

- the more efficient use of energy resources within the different sectors,
 - the development and introduction of techniques for recycling and re-using wastes;
3. to take measures designed to reduce further the environmental impact of energy production and use;
 4. to give special regard to the "Preliminary Report of the Commission on the problems of pollution and nuisances originating from energy production" and, in a first phase, to the need for:

A. Thermal discharges

- (1) collecting data and improving knowledge of the effects of thermal discharges on the environment,
- (2) planning the siting of new power plants on a European basis, through the deliberate exchange of information among Member States,
- (3) imposing the use of cooling towers in all cases where the protection of environment requires, on a large scale and as soon as practicable,
- (4) improving, as rapidly as possible, the design and technology of dry cooling towers, so as to diminish the disadvantages which these still present where certain aspects of the environment are concerned,
- (5) utilising by all appropriate means waste heat produced by power plants, especially nuclear plants;

B. Sulphur Dioxide

- (1) reducing the sulphur content of gas-oils,
- (2) promoting the use of low-sulphur residual fuel-oils within certain zones where pollution by SO₂ is already severe or could become so,
- (3) achieving a more rational allocation of naturally clean fuels (e.g. natural gas and low-sulphur crude oils) to those areas and users which have most need of such fuels,
- (4) promoting desulphurisation and other technical developments to reduce emissions of SO₂ in the atmosphere,

Appendix 3 (cont.)

C. Nitrogen Oxides

- (1) intensifying research into the effects of nitrogen oxides on man and the environment,
- (2) developing appropriate methods of measurement,
- (3) taking certain preventive measures in respect of pollution sources omitting nitrous oxides, while waiting for an improvement of knowledge in this field;

Note that the Commission has already made proposals on several of the above points, underline the urgency of their examination and note that the Commission will present as soon as possible appropriate proposals on the other points.

Undertake to examine these proposals as a matter of priority and in the shortest possible time.

APPENDIX 4

ETUC Membership

<u>Country</u>	<u>Union</u>	<u>Membership 000's</u>	<u>Estimate Percentage of Labour force organised</u>
Belgium	Confederation des Syndicats Chretiens + Federation Generale du Travail de Belgique	1,100 950	67 to 71%
France	Confederation Generale du Travail- Force Ouvriere Confederation Francaise Democrati- que du Travail	1,000 + 800	20 to 25%
Luxembourg	Confederation Generale du Travail Letzbuerger Chrestleche Gewerkschafts- bond	30 15	40 to 50%
Netherlands	Nederlands Verbond van Vakverenigingen Nederlands Katholiek Vakverbond + Christelijk National Vakverbond +	660 340 240	38 to 41%
Italy	Confederazione Italiana Sindacati Lavoratori Unione Italiana del Lavoro	2,000 800	35%
Germany	Deutscher Gewerkschaftsbund	7,200	30 to 40%
Denmark	Landsorganisationen i Danmark Fallesradet for Danske Tjenestemand- oj Funktionarorganisationer +	871 185	50 to 70%
Gt. Britain	Trade Union Congress	9,900	40 to 45%
Ireland	Irish Congress of Trade Unions +	547	30 to 50%
Switzerland	Schweizerischer Gewerkschaftsbund Christlichnationaler Gewerkschafts- bund der Schweiz + Schweizerischer Verband Ecangelischer Arbeitnehmer +	434 98 13	27%
Norway	Landsorganisasjonen I Norge	580	50%
Sweden	Landsorganisationen i Sverige Tjanstemannens Centralorganisation	1,734 775	70 to 80%

Appendix 4 (cont.)

<u>Country</u>	<u>Union</u>	<u>Membership</u> <u>000's</u>	<u>Estimate</u> <u>Percentage of Labour</u> <u>force organised</u>
Austria	Österreichischer Gewerkschaftsbund	1,527	57%
Iceland	Althydusamband Islands	35	50%
Malta	General Workers Union +	26	-
Finland	Toimihenkilo- ja Virkamiesjajetojen Keskusliitto	182	55%
	Suomen Ammattiliittojen Keskusjärjestö+	720	
Spain	Union General de Trabajadores de Espana	-	-
	Solidarite des travailleurs Basques +	-	

+ : Affiliated in May 1974

APPENDIX 5.

GENERAL RESOLUTION OF ETUC CONGRESS

The Congress unanimously approved the following general resolution. This text will constitute, as was emphasized by Vic Feather, the outgoing President, the guideliness for action which the 30 affiliated organizations are committed to carry out together to build a Europe of the workers. Such a Europe should show solidarity with workers throughout the world, particularly the most underprivileged.

The resolution is as follows:

The European Trade Union Confederation :

- +underlines the fundamental necessity for European society to achieve democratic planning and control of economic development and to ensure that the population and the workers benefit from growth centred on the needs of both individuals and the community;
- +expresses its solidarity with the peoples of the developing countries and undertakes to consider the effects on the developing countries of all the policies pursued by the European governments, institutions and enterprises, in order to bring about the necessary correctives;
- +undertakes to promote, by means of a global and coherent European policy, the following general aims in every country and all the countries in West Europe through and beyond the institutions of the E.E.C. and the E.F.T.A.:
 - the promotion of economic and cultural democracy to enable workers to exert genuine influence on their living and working conditions;
 - the promotion of human and trade union rights;
 - the achievement of full and better employment in all the regions of Europe;
 - security of employment and guaranteed income in a society in which it is important that all changes be planned;
 - equality of opportunity and equal social rights for foreign workers;
 - the abolition of discrimination of every kind between men and women with regard to employment, recruitment and remuneration;
 - access to all the opportunities which exist in the field of education and training;
 - the just redistribution of incomes and social surplus;

Appendix 5 (cont.)

- the improvement of community services in order to make it possible for workers with family responsibilities to reconcile their occupational, family and social interests;
- an effective fight against inflation
- the preservation of the environment and the invigoration of regional life, the humanization of urban and industrial life;
- close cooperation between European countries with a democratic structure;
- contribution to détente between East and West Europe
- a change in the relations between the developing countries and Europe;

Furthermore, the E.T.U.C. considers that in view of developments in the energy situation, there is urgent need for public authorities, as a matter of priority, to ensure and control the functioning of the energy economy in a spirit of public service and in accordance with the general interest.

In order to advance these aims, and on the basis of the action programme and contributions made during the discussion, the Congress charges the Executive Committee - in collaboration with the affiliated organisations - with undertaking further study, fixing the priorities and specifying the actions to be taken, in all appropriate cases and at the different levels, by the trade union organisations.

The European Trade Union Confederation will equip itself with the necessary means and instruments for developing trade union cooperation and for the realisation of its action programme. It will work for the development of strong democratic trade union organisations in all countries. The trade union organisations will unite to oppose any attempt to restrict their autonomy by a so-called incomes policy.

The European Trade Union Confederation welcomes the return of democracy to Portugal and undertakes to give the trade union organisations in that country the assistance necessary to strengthen this democracy. The E.T.U.C. will give particular support to trade union organisations fighting clandestinely under dictatorships.

The active participation of the trade union organisations, through a process of consultation and negotiation, in the definition of policies in all fundamental fields, is one of the essential expressions of democratic power.

Appendix 5 (cont.)

If there is no real evolution, the European Trade Union Confederation will find itself forced to reconsider its attitude and position with regard to existing institutions.

For the trade union movement a real evolution is constituted by the establishment of direct and permanent relations with the decision-making powers of Europe in order to compare alternatives, find common positions or to note divergences of opinion.

The Congress takes up the demand made by the Executive Committee of the European Trade Union Confederation for the rapid organisation, in the form of special conferences, of a confrontation between governments, European institutions, employers' and workers' representatives in the social and energy sectors.

The European Trade Union Confederation will use the most effective means to oblige European employers to negotiate at all levels and on a joint basis, the points of this programme which concern the relations between thirty three million workers and the employers.

The basis tasks will be incumbent on the Industry Committees with which the European Trade Union Confederation and its responsible bodies will develop cooperation, the exchange of information and the fixing of strategies.

The Secretariat of the European Trade Union Confederation will be responsible for collecting and forwarding to the affiliated confederations, all information that is indispensable to trade union collaboration and solidarity and coordination in action.

In accordance with the spirit which presided over its constitution, the European Trade Union Confederation will work for trade union unity and solidarity in Europe in order better to realise the aims which it sets itself this day at its Copenhagen Congress.