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PLENARY SESSION OF THE EUROPEAN PARLIAMENT IN LUXEMBOURG, 7 - 11 FEBRUARY 1977

Α.

THE COMMISSION'S PROGRAMME SPEECH FOR 1977, GIVEN BY PRESIDENT JENKINS ON 8 FEBRUARY 1977

The programme speech which the President of the Commission addresses each year to the European Parliament when presenting the "General Report" is a significant event. Above and beyond the speech itself - which is by now regarded as a tradition - this ceremony marks an important stage in the life of the institution.

For the Commission, the President's address is the fruit of deep-rooted reflection on its future activities. But, to use Mr Jenkins' own words, the concept of a Commission "programme" is not easy to understand at the present stage of our institutions : "The Commission proposes and the Council disposes".

Thus a distinction must be made between "things we can do", and "things we would like to do", which to some substantial extent overlaps with "what we have to do".

Food_and_agricultural policies

The most urgent task now facing the Commission involves the common agricultural policy and the putting forward of proposals for next year's farm prices. In this connection it should be born in mind that although the CAP is one of the cornerstones of the Community, it is under attack as never before :

- monetary fluctuations have disrupted the single
 market;
- surpluses and lack of outlets limit the room for manoeuvre ;
- overriding need to combat inflation.

Such is the background to price proposals. "I have no doubt that the prudent course will be one of price moderation".

In addition, there is a need to look more deeply at the underlying problems in the agricultural sector :

- How can we ensure stable markets and fair incomes for producers, and at the same time guarantee supplies at reasonble prices to consumers ?
- In view of the employment situation, should a continued movement of labour away from the land be planned for, or should we seek to encourage and sustain farming activity ?
- How to resolve the regional differences, the structural difficulties and the disparities of income ?

- How should agriculture fit into the future world system ?

This will be a major priority in the year ahead. Moreover, a fisheries policy "satisfactory to all, which truly meets the common interest" must be created.

Economic_integration

"It is, I believe, by far the gravest danger facing the Community ... We face here three formidable, and interlocking, obstacles to advance :

- the first is the stubborn persistence of high unemployment ;
- the second are the high, though varying, rates of inflation throughout the Community ;
- the third is the widening gap between the economic performances and real standards of living of our Member States (...) so that the process of economic integration is undermined".

Overcoming these three obstacles will be the central theme of economic policy in the period ahead. First, the existing system for coordinating national policies must be developed - not only with the Member States, but also with both sides of industry and the Parliament as well. Practical links will have to be forged between the predominantly national economic policies of the individual countries, to provide soundly-based technical solutions to Europe's economic problems once the necessary concensus has been obtained.

This must be supported by selective intervention by the Community in the European economy as a whole. In this connection one of the Commission's first tasks was to redistribute the portfolios of its Members so as to assure a proper policy coordination and adequate budgetary control of the available funds.

Regional policy should not simply be a matter of renewing and spending the tiny Regional Fund ; it should, on the contrary, become one of the principal elements in Community economic policy as a whole ; by the same token, social and emploment policy go far beyond the context of the Social Fund.

Further initiatives are therefore needed as well. Firstly, the Commission undertakes to define a <u>regional</u> <u>policy</u> which will enable it to concentrate its present and future financial resources on the key problem of economic divergence.

That will not in itself be enough : "We need the means to enable the root causes of economic weakness to be tackled vigorously but flexibly. We shall work out our ideas and

consult Member States about how they can be best put into effect".

Industrial policy

The role of the Community is to create conditions in which manufacturing industry and commerce can prosper. We must pursue the practical task of removing barriers to trade through harmonizing company law, competition law, and taxation.

"We should not indulge in a bureaucratic game of harmonization for harmonization's sake. Unless we can be sure that our proposals will lead to more trade, and better conditions for producers or consumers, then there is no point in making them".

The Commission also has to take action in individual sectors such as the iron and steel industry and shipbuilding, textiles and footwear. "Here we have a double responsibility. We have a duty to cooperate in a sensible international division of labour". In the area of advanced technology, two sectors - the aircraft and computer industries - provide spectacular examples of the even greater role which the Community is called on to play.

Other sectors are also in urgent need of a Community strategy and "One of the main priorities of our industrial policy will be to achieve such a strategy".

Energy_policy

The Community must develop a "coordinated" energy policy which, during this period of expensive energy, permits conservation and increased self-sufficiency. This requires the development of new energy sources, where risks can be great and investment costs high.

"In the nuclear field choices have to be made, involving a balance of economic, environmental, technological and strategic considerations ... it would be intellectually dishonest to pretend at the moment that either we, or anyone else, know pecisely how the balance should be struck ... the most valuable contribution we can make at present is to do what we can to ensure that the debate is openly conducted, and take the lead in stimulating this debate."

> <u>Combating unemployment - collaboration with the</u> <u>two sides of industry</u>

Full employment cannot be achieved simply by stimulating demand; that is the responsibility of the Member States, whom we shall endeavour to persuade to coordinate their policies so as to achieve a balanced economic recovery.

Structural unemployment is another matter. We shall try to promote coordinated labour market policies throughout the Community, in close collaboration with the Member Governments and both sides of industry.

Europe_and_the_man_in_the_street_

As regards the Community's role in the life of the citizen, "We must never forget the need to carry the people of Europe with us". Specific examples of detailed work touching the every-day lives of all our citizens are contained in the "General Report" and the memorandum annexed to the President's address, illustrating the common principles which should guide us.

"We have a duty to ensure that the Community lives up to the ideals on which our civilization is based - to protect the environment against the dangers of unregulated industrial growth, to protect the weak against exploitation, to safeguard individual freedom and enhance opportunity".

Election of the Parliament by universal suffrage

After pointing out that the Commission intended to treat the present Parliament as it would treat the directly elected one, Mr Jenkins defined his view of the Commission's role in preparing these elections.

"We have two clear objectives : to ensure that each voter is aware of the ways in which his own life is affected by decisions taken at Community level and the way in which he can effect the tendency of those decisions by casting his vote and, at the same time, to ensure that we are aware of the attitudes and aspirations of the voters whose interests we seek to serve. It is a formidable task. It will provide one of the central themes of the Commission's information policy".

Enlargement of the Community

"Our talks with applicant countries have to be carefully planned to face overtly the major problem which enlargement will present both for the Community and for applicant countries". To allow the Community to be weakened in the process would be self-defeating : it must therefore strengthen itself in order to support further enlargement.

"It is therefore our determination that the Community take an overall approach to the question of enlargement... The Commission will be sympathetic to enlargement but it will insist that the problems involved in it be faced and not glossed over.

"That unity must also be sustained outside Europe in handling our <u>external relations</u> ... There is a desire and expectation (itside that we should do so". The Commission intends to play its full part in achieving firm cooperation between Europe and the United States : "There never has been any contradiction between European unity and as close as possible an Atlantic relationship". The same will be true of future major international negotiations, as well as the policies initiated by the Lomé Convention and other development aid schemes.

In Mr Jenkins' conclusion the following statement may be seen as a profession of faith : "We want our deeds to be a little better than our words. Let us always do more than we promise to do. In this way the great institutions we represent will in a real and practical sense be the means by which we go forward, the very engine of Europe".

B. INTERVIEW GIVEN BY COMMISSIONER VREDELING TO THE WEEKLY JOURNAL "DE VAKBONDSKRANT VAN NEDERLAND" OF THE DUTCH TRADE UNION FEDERATION (FNV) ON : "CONVERSION OF PROFIT INTO EMPLOYMENT : A EUROPEAN PROBLEM"

Before his nomination as European Commissioner, Henk Vredeling (52) was the Dutch Minister of Defence. He studied at the Aricultural University in Wageningen, and then became Economic Adviser to the Netherlands Agricultural and Food Workers' Trade Union Federation. At the age of 31 he became a Member of Parliament for the PvdA (Dutch Labour Party). He gained a name as an agricultural specialist in the European Parliament, where he subjected the European Community's agricultural policy to a very critical scrutiny.

"I shall oppose any restructuring or reorganisation of branches of industry in the Community if at the same time a plan is not drawn up to create alternative employment". Henk Vredeling made this declaration in a conversation with the Dutch trade union journal "De Vakbondskrant". In this interview, the first given by Vredeling after taking over the Commission portfolio for Social Affairs, unemployment in

Europe occupied a central position.

In his new function this problem will be one of Vredeling's primary tasks, for the field of "employment" has been added to the Commission Social Affairs portfolio, together with the discussions between employers, employees and Governments in what is known as the Tripartite Conference.

- Between 5 and 6 million unemployed in Europe are looking to you. What can you do for them ?

"The preservation of jobs and the creation of new ones is very closely linked with the work of my fellow Commissioners who are responsible for industrial policy, economic affairs, competition policy and the use of the European Funds. So I shall find myself dealing frequently with these colleagues, for whom I shall have to be a busybody in the good sense of the word. In other words, a nuisance who is always asking questions and whose main task will be to keep an eye on the social consequences of all measures taken by the European Commission, such as the consequences for employment. "If restructuring measures are under discussion in the European Community, my job is to ensure that the workers concerned are taken care of as far as possible. In this case alternative employment must be created, and retraining opportunities must be provided via European Community funds. I will not agree to restructuring unless plans have been made for jobs to replace those which are lost. I realise that this will be difficult. To achieve it you are dependent on economic growth, and that is less and less apparent in the industrial sectors".

- The European Trade Union Confederation claims that a reduction in working time is one solution.

"Yes, a fair distribution of work. This is very much of a burning topic at the moment. Working life is shortened by raising the school-leaving age, lowering the retirement age, and shortening the working week, with the result that more people can be employed. This is in the action programme of the European trade union movement.

"It sounds simple, but I do not yet know whether it is the way to save the situation. It needs to be studied. It is possible to reduce working life; but must incomes then stay at the same level? If the answer to this question is 'yes', then the unit cost of the products which we make in Europe will increase. The problem will have to be thrashed out with the trade union movement as well. Anyone arguing in favour of a more just distribution of work must also be prepared to bear the consequences".

- Moderate wage demands on the part of the trade unions in European countries have not been able to prevent unemployment from rising still further. What can the European Commission do in order to ensure that increased profits are converted into increased employment ?

"To start with, of course, there must actually be profits. But, in any case, one thing is certain : the transformation of profits into employment can only be accomplished at European level. Suppose that, in one of the Member States of the European Community agreement was reached between employers, workers and the Government to orient investment towards the creation of new jobs. That country would find itself in great difficulties as regards competition with other countries where restructuring investments have been made (replacement of labour by machines). Any country which proceeds unilaterally to encourage labour-intensive production methods is pricing itself out of the market. A strategy of using profits to create employment only has a chance of succeeding if it is tried out at least at Community level.

"If we take this path it is clear that it is not a matter for the employers alone. All sides will have to make their contribution".

Henk Vredeling cannot end unemployment on his own. It is a task which faces us all and in which all parties must help.

"What I can do is bring the parties together and attempt to achieve a consensus on the basis of mutual interests. If everyone is simply out to seize minor short-term advantages, then this will certainly not succeed. All parties must be prepared to look beyond the end of their noses and fix their sights on tomorrow - or preferably the day after tomorrow".

- What sort of proposals can we expect from the European Commission ?

"I cannot yet go into any very precise detail on this point. A number of things are in preparation on which we still have to take decisions. In addition, it is not simply a matter of the ideas that we have - practical proposals from the European trade union movement are also welcome. We shall consider these proposals seriously.

"As regards our initiatives, I can say that in the near future I am going to talk to the Ministers for Economic Affairs and Employment in the Member States and with the Standing Committee on Employment. Discussions will also be held with the Economic and Social Committee".

- Will this mean that there will be a new Tripartite Conference in the first half of this year ?

"I think it would be useful to hold such a conference. And I agree wholeheartedly with the European Trade Union Confederation that the conference must not indulge in empty discussion. It must not be a conference for a conference's sake, but must decide on measures on the basis of detailed proposals. This calls for serious preparation, which takes time. If possible we will hold the conference in the middle of the year, but I do not know yet whether we shall manage that".

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- Will there also be this kind of tripartite discussion at sector level ?

"Yes, the way things are going there will have to be. In recent years we have got bogged down too much in general measures. We are going to have to concentrate more on dealing with problems sector by sector. I am going to put it to the Commission that priority must be given to such an approach. Shipbuilding, the steel industry, textiles, constitute serious bottlenecks where European solutions must be found".

- Can we expect that the Commission will follow a more independent line in social policy, less directly based on decisions dictated by economic considerations ?

"No, that won't work. Social policy is always linked to economic processes. For this reason, the Social Affairs portfolio should really be superfluous. Incidentally, this is the first time employment has been included in the portfolio. This is a political act, which reveals how much importance this Commission, which does not consist of technocrats

but mainly of politicians, attaches to the struggle against unemployment. If it should become apparent that this new element is without meaning, I shall be the first to propose that it should be scrapped".

- It is a well known fact that you wanted to play a part in the European Commission, and long before doing so you were already a passionate European. What is there so attractive about a united Europe ?

"You should rather ask why it is so fascinating. I believe that it is fascinating for anyone who, like me, is convinced of the need to collaborate in finding solutions to the problems which face us. Take, for example, the multinational undertakings. Surely it is incomprehensible that the Gevato meat products factory at Driebergen should have to close down because of a decision taken in Copenhagen ? As quickly as possible we must start introducing rules at European level which will ensure that such a thing can never again happen just like that.

"I am very much convinced that no country on its own can deal with this kind of problem in isolation. We can only find solutions to such problems on a broader level".

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C. COMMUNITY SOCIAL POLICY FROM 1973 TO 1976

In Paris in October 1972 the Heads of State and Government of the nine countries of the Community gave a new impetus to the social policy of the European Community. What has happened since then ? A recent memorandum drawn up by the European Commission groups the Community's activities around three major themes : problems concerning employment, improvement of living and working conditions, the participation of both sides of industry in economic and social decisions and that of workers in the life of undertakings.

Employment

As regards employment, the resources of the <u>European</u> <u>Social Fund</u> have been increased and its means of action extended : the appropriations available to it have risen from 222.95 million units of account (1 u.a. equals 1.1 US dollars) in 1973 to 4,441 million in 1976.

The implementation of the principle of <u>equality of</u> <u>treatment between male and female workers</u> was the subject of three proposals for directives submitted to the Council of Ministers of the Community, dealing with pay, access to employment, training and vocational training and social security.

In addition, the European Commission drew up a draft recommendation to Governments on the vocational preparation of <u>young persons who are unemployed</u> or threatened with unemployment. The Council of Ministers adopted a Resolution on an action programme for <u>migrant workers</u>; in this context the European Commission recently forwarded to the Council of Ministers a proposal for a directive on ways of combatting <u>illegal migration</u>. Lastly, a Community <u>consultation</u> mechanism on <u>employment</u> was set up.

Living and working conditions

As regards living and working conditions the Council of Ministers adopted a Recommendation on the implementation of the <u>40-hour week</u> and <u>four weeks' paid leave</u> as well as two Directives, one of which deals with mass dismissals whilst the other concerns the <u>safeguarding of employees' rights in the</u> <u>event of transfers</u> of undertakings, businesses or parts of businesses.

The Commission was also concerned with extending <u>social</u> <u>security</u> to categories of persons not covered or inadequately provided for under existing schemes, whilst a programme of pilot projects or studies was implemented as part of the <u>campaign against poverty</u>. Lastly, after having drawn up and revised the <u>first European Social Budget</u> (1970 - 75), the Commission began work on the second one, which covers the period 1976 - 80.

Participation

One of the most important events in the sphere of participation was undoubtedly the meeting of the Social Conference in Brussels in December 1974, which was attended by both sides of industry and representatives of Governments and the Community, followed in November 1975 and June 1976 by two <u>Tripartite Conferences</u> attended, for the first time, by the Ministers of Economic Affairs. A framework for cooperation between social forces wishing to combine their efforts to deal with current economic and social problems was thus outlined - and might well become institutionalised.

Similarly, the Social Conference of December 1974 decided to revive the <u>Standing Committee on Employment</u>, which has since met several times in 1975 and in 1976.

D. THE COMMISSION MEETS THE TWO SIDES OF INDUSTRY : BRUSSELS, <u>4 FEBRUARY 1977</u>

As part of the series of regular meetings the Commission holds with the two sides of industry, President Jenkins and Vice-President Vredeling seperately received a delegation from the European Confederation of Trade Unions and another from UNICE on 4 February last, to exchange views on the economic situation in the Community.

The ETUC Delegation was led by its Chairman, H. O. Vetter, and the UNICE by its Chairman, Mr Provost.

The problem of unemployment was discussed at length with the trade unions.

President Jenkins and Vice-President Vredeling stated that this matter was regarded as a priority by the new Commission; they stressed the importance of coordinating the various funds in the discussions with both delegations. Mr Vredeling explained the Commission's intentions concerning the review of the Social Fund and expressed the hope that the Commission's proposals on the subject would be approved by the Council of Ministers next June.

As regards the Tripartite Conference, it was thought advisable not to hold it until the second half of the year, so that it could be prepared in the best possible conditions and have the greatest chance of success.

President Jenkins and Vice-President Vredeling were very satisfied with this initial exchange of views.

E. <u>MEETING OF THE EXECUTIVE COMMITTEE OF THE EUROPEAN TRADE</u> UNION CONFEDERATION IN BRUSSELS, ON 10 AND 11 FEBRUARY 1977

The Executive Committee of the European Trade Union Confederation met in Brussels on 10 and 11 February under the chairmanship of Mr H. O. Vetter.

The Committee discussed a number of questions including direct elections to the European Parliament by universal suffrage.

In this connection, the Secretariat General of the ETUC was instructed to set up a Working Party to prepare its information campaigns.

As regards the economic and social situation, it was decided to ask the Council of Ministers of the Communities to organise a new Tripartite Conference before the end of the year.

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In addition, the Executive Committee adopted a declaration on the common agricultural policy of the European Community, which is reproduced below :

- 1. Last year, farm prices in the European Community increased by an average of 7.5 per cent, but as a result of increased profit margins and speculation by intermediaries in the distribution chain, the prices paid by consumers increased to a greater extent. Inflationary pressures worsened in general, causing serious problems, particularly for low income groups. In the agricultural community, the main beneficiaries of the price increases - that is to say those who increased their incomes rather than making up their losses - were a relatively limited category of large-scale farmers, not the mass of small farmers and farm workers.
- 2. This year the agricultural policy must be reviewed at an even Unemployment has more difficult time for the Community. reached the highest levels in more than a generation and is continuing to increase, whilst in several Member States inflationary pressures are still strong. The 1977 review must take into account the seriousness of this economic situation and the constraints exercised by other social categories. Agricultural objectives, like those in all other sectors, must be linked to the general objectives agreed on at the Tripartite Conference in June 1976 and included in the Fourth Medium-Term Economic Policy Programme. By way of a reminder, these are a return to full employment by 1980, a growth rate of 5 per cent per year up to 1980 and a reduction in inflation to about 5 per cent within the same period.
- 3. In the ETUC's opinion, the common agricultural policy should aim to guarantee workers that they will not have to pay more than necessary for their food, that is to say, no more than is necessary to guarantee reasonable incomes for an efficient agricultural country, avoid shortages and take into account the capacity of producers in other countries.

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- 4. This means that the annual review of agriculture in the Community should be extended to include agricultural structures and farm prices. It is quite clear that price policy will not in itself bring about structural improvements. In fact, attempts to increase prices to guarantee reasonable incomes for the agricultural community as a whole - and not just large-scale farmers - have in the past been partly instrumental in producing surpluses and thus intensifying structural problems.
- 5. The Commission, the Council, the Parliament, the Economic and Social Committee and the Consumers' Advisory Committee all acknowledged the need to make structural changes in agricultural policy in order to achieve this. A number of useful specific proposals were made and they should be acted on without delay.
- 6. The ETUC is particularly convinced that prices should be fixed for each product at levels designed to minimise the risk of shortages or surplus production for which no use can be found, and enable those working in efficient modern farms to obtain a reasonable income compared to workers in other sectors. Production targets should also be fixed and farmers should take over part of the financial responsibility for surpluses.

The ETUC is aware that some prices may increase ; but others should fall.

- 7. Social and regional policies should be strengthened to solve the difficulties encountered by smaller and less efficient farms. It is simply not possible to increase prices to levels which would enable all members of the agricultural community to have reasonable incomes.
- 8. In a period of high unemployment, the ETUC is against the application of measures tending to force workers to leave agriculture, although it is desirable in the long term that there should be a transfer of labour from the primary sector, accompanied by an increase in the number of openings in the secondary and tertiary sectors. Direct income support measures should be introduced or extended for less developed and marginal farms, etc., as an antirecession measure, but it is essential that agricultural workers - and not only large land-owners - should benefit from them. Provision should also be made for direct longterm subsidies (as opposed to indirect subsidies designed to maintain prices) for farms which must absolutely be kept in being for social, regional or environmental reasons.
- 9. The ETUC supports the Economic and Social Committee's proposal that the Community should draw up a long-term agricultural plan, of which the short-term measures concerning price and structural changes would be part. The plan should also take account of the need to review the system of monetary compensatory amounts, negotiate long-term agricultural import and export contracts with nonmember countries particularly the developing countries and reduce inefficiency and distribution and market profits.

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10. Lastly, the ETUC supports the proposal to organise a Community conference attended by governments, farmers' organisations, trade unions and the Commission. It would take place this year and should study means of improving the common agricultural policy.

The Executive Committee of the ETUC has also held an initial discussion on a memorandum on regional policy, which will be submitted to Commissioner Giolitti. This memorandum, which stresses the importance of regional development in achieving continued growth and stability and resolving the unemployment problem, reviews the various aspects of regional policy.

The European Regional Development Fund : the resources available should be increased (which might be achieved by issuing Community loans) to at least double the present figure by 1980. The Fund's activities should be concentrated on priority areas and objective criteria should be used in fixing quotas, with part of the Fund being set aside for particular projects. Action should involve projects not already carried out at national level.

- <u>objectives for a European Regional Policy</u>. Some sort of cross-frontier long-term planning is necessary, based on the following objectives : to eliminate differences between regions as quickly as possible ; to relieve congestion in industrial areas ; to launch cross-frontier infrastructure projects ; to protect the environment. It will, therefore, be necessary to redefine the areas laid down by the Regulation on the Regional Fund. If the regional development projects envisaged at national level are to be effective, it must be possible to base them on clearer and more concrete European Economic Programmes.
- <u>Community regional policy and other policies</u> : regional policy should be seen in the framework of the development of the European territory and in liason with the general economic policy and policies on agriculture, industry and the protection of the environment.
- <u>guidelines for a European regional policy</u>. In the opinion of the ETUC the following principles should be adopted : equal right to employment for everyone ; respect for certain quantitive and qualitative criteria ; creation of guaranteed jobs ; the creation of mono structures should be avoided ; emphasis on infrastructure projects ; increased State aid for projects to create employment ; financial aids only for durable investments ; use of the natural resources of the various areas on the basis of regional development projects ; balance between investments involving large-scale capital participation and those which create jobs ; creation of apprenticeship places ; development of social and cultural infrastructures ; strict rules to protect the environment.

The creation of new jobs could be very difficult if the growth rate were no more than 4 - 5 per cent in the future ; the trade unions therefore stress the need for new ideas.

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- <u>Community employment policy</u>: its resources are not coordinated. The ECSC Fund, the European Investment Bank, the EAGGF, the Regional Fund and the Social Fund should be able to cooperate in drawing up and implementing regional projects. The trade unions have asked the European Commission to study ways of achieving this coordination as quickly as possible.
- priorities for regional policy : improvement of infrastructure, development of socio-cultural infrastructures, creation of new jobs, creation of training places for apprentices, protection of the environment. Trade union participation in drawing up projects and their implementation through appropriate planning instruments should be ensured.

- <u>national subsidies</u> : should be coordinated. It will only be possible to harmonise them completely if the EEC has the necessary mechanisms and funds. When trying to coordinate the conditions governing national aid measures, care must be taken to avoid giving pretexts for cuts in these measures. Member States should publish annual reports on these subjects and the Commission should provide more information on the projects implemented. Community aid may only go to projects which form part of Member States' development plans.
- <u>statistics</u> : in addition to statistics on population, migration, and the gross national product, those on age structure, social and educational infrastructures, income distribution, natural resources and energy supplies should be available.
- <u>check on regional policy</u>: this is in the interests of the Member State in question. A statistical control carried out a posteriori (between 5 and 8 years) would be very useful. The information procedure of the European Parliament should be improved.
- employee participation : informing the public. A means of informing the public would be the publication of reports on national subsidies. Workers and the trade unions should be able to participate in planning national measures and preparing decisions at Community level. The ETUC wishes to participate in the committee on regional policy (which consists exclusively of senior officials) to ensure that the latter's composition is really democratic.

The Executive Committee of the ETUC also had an initial exchange of views on the reform and functioning of the Economic and Social Committee of the European Communities.

The Executive Committee will take a decision on this subject on 22 April 1977.

The Executive Committee seems to share the doubts expressed by working party II of the Economic and Social Committee on the need for a third working party ; it is of the opinion that only two working parties, representing employers and workers, should be represented on the committee.

F. TRIPARTITE CONFERENCE OF THE MEMBER COUNTRIES OF EFTA, STOCKHOLM, 14 AND 15 FEBRUARY 1977

This conference was referred to in Bulletin No 1/77; Mr O.H. Vetter, Chairman of the ETUC, gave a speech on behalf of the ETUC on employment, balanced economic growth and monetary and financial stability.

The principal points of the statement are the same as those advocated by the ETUC for the Community.

The six main points are as follows :

- 1. Closer consultation and broader cooperation should be established between the EFTA and the European Community, with a view to a return to full employment, especially by adopting constructive policies concerning commercial exchange rates and movements of capital.
- 2. The purchasing power and social advantages of workers should be maintained and improved, not only as an end in themselves, but also to support the level of demand and employment.
- 3. Labour market policies should be strengthened to ensure that new jobs are created and improved in the interests of all workers.
- 4. Industrial and investment policies should make provision to ensure compatibility between the individual objectives of companies and those of society in general, especially as regards the creation of jobs.
- 5. The public sector should be developed to meet people's needs, particularly as regards medical care, housing, training and the environment.

6. Inflation must be effectively controlled by means of an active price policy and by adopting stricter regulations governing industrial concentrations, not by a higher level of unemployment, which serves no purpose whatsoever.

G. IN BRIEF

a) HOUSING FOR ECSC WORKERS

As part of the 8th programme of construction and modernisation of low-cost housing for ECSC workers, the Commission decided to grant the following financial aid : GERMANY Saar coalfields : 12 dwellings, DM 156,000 Aix la Chapelle coalfields : 52 dwellings, DM 375,438 Rhur coalfields : 900 dwellings,

BELGIUM Collieries : 11 dwellings, BF 2,365,000 Iron and steel : 30 dwellings, BF 6,450,000

DM 4,043,400

FRANCE Centre-Midi Iron and steel industry : 137 dwellings, FF 1,370,000 Nord iron and steel industry : 64 dwellings, FF 640,000 Est iron and steel industry : 11 dwellings, FF 104,000 Centre-Midi coalfields : 59 dwellings, FF 472,000 Lorraine coalfields : 60 dwellings, FF 480,000

LUXEMBURG Iron and steel (frontier regions): 20 dwellings, FL 500,000 Iron and steel (frontier regions): 33 dwellings, FL 9,900,000

DENMARK	Iron and steel	:
	170 dwellings,	DKR 3,064,150.

b) CLERICAL WORKERS' AND TRADE REPRESENTATIVES' UNIONS

The Directorate-General for Social Affairs of the Commission invited a delegation of organisations affiliated to the EUROFIET and the World Confederation of Trade Unions of non-Manual Workers to Brussels on 3 February 1977 to study recent development in problems concerning the harmonisation of Member States' laws as regards selfemployed trade representatives. The Commission has drawn up the final text of a proposal for a directive on the subject and forwarded it to the Council of Ministers.

Following this meeting, a working party was set up with the task of drawing up a comparative table of the working conditions of trade representatives in the various Member States and studying the initial draft of a proposal for an appropriate harmonisation directive.

c) BELGIUM

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JOINT DECLARATION ADOPTED IN BRUSSELS ON 8 FEBRUARY 1977 BY THE JOINT TRADE UNION FRONT (CSC-FGTB)

Social Security

The Joint Trade Union Front is opposed to any attempt to undermine the social security system and demands that contractual and statutory rights, in particular the adjustment of social security benefits to wage trends, should be applied unconditionally.

This means that :

- the charges provided for in draft law No 1065 on sickness and disability insurance cannot be accepted as regards the contribution of 0.4 0/0 and the increase in the "indemnities" ceiling.
- the Joint Trade Union Front will not allow the existing family allowances to be tampered with and demands that promises made concerning the linking of family allowances to wage trends should be respected.
- the Joint Trade Union Front will not allow the unemployment insurance scheme to be called in question and cannot, therefore, agree to the exclusion of any category of workers whatever.

Reduction in working hours

The Joint Trade Union Front is in favour of shortening the working week to promote the redistribution of the work available and enable the hiring of unemployed persons.

The Joint Trade Union Front is convinced that a 36-hour week will have to be introduced by 1980.

The work available should also be distributed on a fairer basis by applying the system of voluntary early retirement and combatting overtime, "moonlighting", pluralism, etc.

The Joint Trade Union Front demands immediate concertation on these problems.

Employment policy

The Joint Trade Union Front considers that confrontation should lead rapidly to effective new measures.

> Fairer distribution of contributions : The Joint Trade Union Front demands :

- a stricter price policy ;
- greater severity in dealing with tax evasion ;
- higher taxation for the wealthy.

DENMARK

JENS CHRISTENSEN GIVES UP PRESIDENCY OF THE FTF

Jens Christensen, who has been President of the Danish trade union FTF since 1970, will leave this post on 1 June next.

The FTF (Faellesrådet for danske Tjenestemands og Funktione organisationen) groups together 85 federations of civil servants and clerical staff and has nearly 270,000 members.

The present Vice-President, Kirsten Stallknecht, will take over the presidency until the Congress in November 1978.

FRANCE

THE CFDT LOSES ITS CASE AGAINST THE COUNCIL OF MINISTERS

The Court of Justice of the European Communities rejected the appeal submitted by the French Democratic Labour Confederation (CFDT) against a decision by the Council of Ministers on 17 February 1977. This trade-union organisation asked the Court to rescind the Council Decision of 1 June 1976 stipulating the composition of the Advisory Committee of the ECSC. The Council had refused the application by the organisation in question.

The Court of Justice considered the appeal inadmissible. Under Article 38 of the Treaty of Paris, the Council's decisions can only be rescinded at the request of a Member State or the Commission (High Authority). The Court observed that the appeal submitted by the CFDT did not fulfil one of the essential conditions of admissability. 1

UNITED KINGDOM

THE TUC CALLS FOR A GRADUAL RETURN TO THE FREE NEGOTIATION OF WAGE AGREEMENTS

The British Trades Union Congress (TUC) has been reluctant to agree to accept a third "social contract" before knowing details of the new budget, which will be presented on 29 March 1977.

The mineworkers union is opposed to renewal of the social contract after 31 July, when it expires, whilst the railway workers' union intends in the near future to apply for a pay increase of 36 per cent to compensate for loss of income caused by two consecutive years of wage restraints. Mr L. Murray, Secretary-General of the TUC, intends shortly to propose that the Chancellor of the Exchequur, Mr D. Healey, should invest £ 2,000 million in the economy to reduce the number of unemployed; he will also demand special aid for the building industry, stricter price controls and controls on imports. Mr Murray is opposed to a devaluation of the green pound.

GERMANY - ITALY

THE DGB MEETS AN ITALIAN TRADE UNION DELEGATION (CGIL-CISL-UIL)

A delegation from the Unified Federation of Italian Trade-Union Confederations led by the general secretaries of the three federations, Mr Lama, Mr Macario and Mr Benvenuto (CGIL-CISL-UIL) met the "Vorstand" of the DGB, led by Mr H. O. Vetter, in Dusseldorf on 24 February 1977.

During this meeting the Italian and German delegations discussed the economic situation, European trade union activities, and problems of trade union participation in and influence on economic decisions, both within undertakings and in general terms.

The Italian trade unions also explained their proposals designed to stem the crisis in Italy; these points of view met with the approval of the DGB.

NETHERLANDS

RETURN TO WORK

The majority of the Dutch workers who had been on strike since 7 February 1977 returned to work on 28 February 1977.

The agreement between the employers at the ports of Amsterdam and Rotterdam and the transport workers' unions, concluded on 25 February 1977, put an end to the dispute. It involves a wage increase of 4.3 per cent, of which 2.5 per cent is intended to offset the rise in prices. The principle of automatic compensation had earlier been accepted by the employers ; however, it was later called in question, which triggered off a large-scale strike.

The Government's decision to authorise dockers to retire at sixty-three instead of sixty-five also made the negociations easier.

This strike, exceptionally long (3 weeks) in some undertakings, was a great success from the FNV's point of view and resulted in real wage increases ranging from 1.5 per cent to more than 2 per cent.

Nonetheless, the trade unions had to agree to reexamine the whole system of automatic price-rise compensation when renewing the collective agreements in 1978.

H. RECENTLY PUBLISHED

"The European Community's agricultural policy", in the series "European documentation", 36 pages.

Has the common agricultural policy, the spearhead for the building of Europe, become the major problem area or is it merely suffering the consequences of the tardiness - or non-existence - of other Community policies ?

The brochure on the common agricultural policy, which has just been published in all Community languages by the Directorate-General for Information of the European Communities, tries to answer these questions - and many others.

The booklet, which is plain in style and presentation, contains the following chapters :

- 1. Why have an agricultural policy ?
- A common European policy 2.
- The main lines of the common agricultural policy 3.
 - a) Market and price policies : principles and mechanisms
 b) External policy : protected but not closed markets

 - c) Socio-cultural policy : the Mansholt plan and the follow-up to it
- 4. Have the objectives of the Treaty of Rome been achieved?

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- a) Productivity, standard of living, market stability : unequal results
 - b) Agricultural policy, victim of the monetary crisis
 - c) Surpluses and food prices : a more complex situation than we realise
- d) Decision-making processes and lack of political arbitration.
- Future outlook. 5.

The brochure is available free on request from the following addresses :

Commission of the European Communities, Spokesman's Group and Directorate-General for Information, Publications Division, 200 rue de la Loi, Berlaymont 2/27a.

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