

trade union information

TRADE UNION BULLETIN

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1. COMMISSION DISCUSSION PAPER FOR THE TRIPARTITE CONFERENCE TO BE HELD IN LUXEMBOURG ON 27 JUNE 1977

The Commission has approved a document entitled "Growth, Stability and Employment: Stock-taking and Prospects" which is intended to be a basic discussion paper for the Tripartite Conference in Luxembourg on 27 June and a basis for consultations with the social partners and the representatives of the Member States between now and the conference. The Tripartite Conference brings together the Ministers for Economic Affairs and Social Affairs and the representatives, at European level, of the social partners, that is, the employers' organisations and the trade unions. The last conference was held on 24 June 1976 in Luxembourg.

The forthcoming Tripartite Conference was called by the European Council which met in Rome on 25 and 26 March last and its aim is to take stock of the progress achieved since the 1976 conference and assess the prospects for the future. In the Commission's view, this exercise will be fruitful only if there is agreement about the nature of the economic and social problems facing the Community and a common will to overcome them. In its document, the Commission sets out its views on how this can be done.

Developments since the last Tripartite Conference

The first part of the Commission document is a brief stock-taking of developments since last year's conference. Some progress was made towards reaching the goals set, but not much. These were:

- a return to full employment by 1980
- a gradual reduction of the rate of inflation to approximately 4-5 per cent by 1980, and
- an average annual growth of GNP of about 5 per cent in real terms during the five years to 1980.

The Commission admits that although a quick recovery could not have been expected, the achievement over the past year was below what had been hoped for at the time of the last Tripartite. The policies followed have been more or less in line with those recommended - especially anti-inflation policies, where major efforts have been made and in most instances a restraint on the growth of money wages has been generally accepted. But the problems have turned out to be more serious than they at first seemed.

The challenge for the Community

The Community, the document declares, is facing a series of difficulties and although living standards are relatively high, parts of its industrial structure are older and less flexible than those of some competitors. Accepting these difficulties passively might seem an easy option in the short run but in a competitive world it would mean a declining role for the Community, a lowering of sights for real incomes

and growth and a holding back of social objectives. Therefore, such an option is clearly not to be pursued.

Instead, the Community should recognise its changed situation, resolve to overcome the difficulties, accept the need for a broader social consensus to bring about the internal changes and innovation necessary to assure progress and undertake to use and develop national and Community policies and mechanisms for this purpose.

Principles for action

In the final part of the document, the Commission sets out its views on the principles for action, for which it urges common agreement. In the first place it lists those policies which should be avoided, such as protectionism.

Among the policies to be adopted, the Commission lists: appropriate adjustment of basic economic policies at national level to the balance of payments and rate of inflation situation, the urgent need to each higher levels of investment, and coordination of the various actions taken to bring about the necessary structural changes at both national and Community level. The Commission's recently proposed action programme for the steel sector is an example of such coordinated action.

In the fight against unemployment, the emphasis should be put on the restoration of healthy economic growth, but in the meantime, various measures to stimulate employment should be considered and the "classical" methods of aiding employment must be continued and strengthened if necessary. These include:

- improvement of job placement services and vocational guidance
- improvement of the transition from school to work
- improvement of vocational training facilities and encouragement of retraining
- promotion of aids to support geographical and occupational mobility.

In the employment context, the Commission document also urges the need for special measures in favour of young persons and women at Community level but as Community action is limited in scope, a full commitment of Member States and social partners is required. Appropriate action to limit inflation and to keep the growth of money incomes and the level of prices in line with objective economic criteria is also advocated. Finally, a better utilisation of the Community's financial instruments, Social and Regional Funds, FEOGA, ECSC aids, European Investment Bank, etc., should be seen as a way of advancing progress towards the goals mentioned above. The Commission has already made proposals for improvements in the various funds and better coordination between them.

It is recognised that the actions outlined above may be insufficient by themselves. Possible further actions are contemplated but need more analysis and debate. These further actions might include: work-sharing and employment premiums, the question of working conditions, possibility of public sector employment and creation of flexibility on the labour market.

Conclusions

In conclusion, the Commission emphasises that above all, Governments and social partners must work to create an environment in which all parties are confident that an acceptance of change will bring benefits for all. The Community, for its part, will work for the maintenance of coherence in its internal and external policies, particularly as concerns the effects on employment, and will pursue its efforts to relate Community actions to the most pressing needs.

None of the parties present at the Conference has the means to act alone. Governments and Commission, employers and workers all bear a measure of responsibility. By harnessing these forces in a common effort, the Community can achieve the objectives of growth, stability and full employment. It is in this spirit that the Commission will be working before, during and after the Conference.

2. SECOND MEETING OF THE STANDING COMMITTEE ON EMPLOYMENT - BRUSSELS, 5 MAY 1977

Government, employers' and workers' representatives from Community countries and Mr Vredeling, Vice-President of the Commission, met on 5 May to discuss the employment situation in the light of findings set out in a Commission report on "the outlook for employment in the Community up to 1980". Particular emphasis was placed on the relationship between employment and investment and on the present job situation.

The meeting was opened by the United Kingdom Secretary of State for Employment, Mr Booth, as acting President of the Council.

The discussion centred on the Commission's report and on two types of measure to combat unemployment: job redistribution and employment premiums. In an introductory address, Mr Vredeling stressed the need for Community-level coordination of national measures to fight unemployment. He announced that the Commission would be putting its proposals for a European anti-unemployment policy before the Council by the end of June.

Following the speech by Mr Vredeling, the contributions from union and employers' representatives concentrated on the proposed measures, while representatives of the Member States confined themselves in the main to outlining the different government policies.

Mr Coldrick, secretary of the European Trade Union Confederation, called on behalf of his organization for a coordinated and comprehensive policy to fight unemployment. In Mr Coldrick's view, a sound job-creation policy must be based on pinpointing bottlenecks and sectors in which the number of jobs was rapidly shrinking; in addition, the private and public service sector should be developed. Employment premiums were a useful way of keeping up existing job numbers, but there must be supervision by the unions to ensure that premiums were in fact used to hire new workers.

On behalf of the ETUC Mr Staedlin outlined the job redistribution targets adopted by the Confederation's Executive Committee - see Trade Union Information handout No 4. He went on to say that the unions were against a widespread reliance on work-sharing, since it could prejudice certain categories of workers and could easily mask short-time working figures.

For the Employers' Liaison Committee, Mr Oechslin took a less negative view of work-sharing. He felt that it could be helpful in the case of women, although there was a risk that if part-time work became the norm, larger numbers of job-seekers would be attracted onto the labour market.

Mr Oechslin regretted that no serious research into the effectiveness of employment premiums in relation to the creation and preservation of jobs had been carried out, and asked the Commission to undertake such a study.

From the employers' point of view it was essential to improve the flexibility of the labour market; this would require administrative simplification as well as a reduction in the costs incurred by firms taking on new workers.

Both employers' and union representatives also gave their views on the Commission's proposals for reforming the European Social Fund, which have been laid before the Council.

Finally, Mr Giolitti gave the Standing Committee an account of the Commission's plans for the coordination of Community financial instruments.

Mr Giolitti laid particular stress on the Commission's decision to increase the efficiency and relative importance of coordinated action by the Social Fund, the Regional Fund and the EAGGF guidance fund, while bearing in mind the part that could be played by the independent European Bank.

3. DEVELOPMENT OF COMMUNITY ENERGY POLICY

If the Community had been able to hold to its original goal of reducing dependence on outside sources of energy to 50 % within ten years, total investment in the energy sector by the member states would have had to reach levels of 240 000 to 250 000 million EUA between 1976 and 1985.

That goal is not likely to be reached, but even so likely energy sector investments are forecast at about 200 - 210 000 million or about 25 % of all industrial investment in the Community.

If present levels of financing are maintained, some two to three percent of these total requirements will be channelled through Community institutions.

Measures already in existence :

Since the beginning of 1975, Community institutions, including the European Investment Bank, have made available around 600 million EUA per annum of loan finance, principally by borrowing and relending. The amount has been divided in about equal proportions between projects in the field of coal production, oil and gas production and distribution, and electricity production and distribution.

On 29 March, 1977, the Council adopted a Euratom loan scheme which initially provided for a loan of 500 million EUA to nuclear power station projects and industrial nuclear fuel processing installations (including uranium extraction).

The Commission believes Community support should be extended as follows :

1. additional lending or loan guarantees,
2. an element of risk sharing in appropriate cases,
3. encouragement of long term contracts to reduce investment risks of Community producers.

The money would be directed into three main channels : electricity production, especially through nuclear energy, energy saving measures and the improvement of Europe's energy transport system, for example gas pipelines.

As for measures to protect investments, the Commission suggests that measures such as minimum selling price guarantees and long term contracts which would give producers some certainty of price stability should be considered.

Energy saving measures

The Commission has also approved the first batch of energy saving measures as well as proposals for specific demonstration projects which will be put forward at the next energy Council due to take place on June 14.

These include a draft directive regulating the performance of heat generators, and three recommendations on space heaters and the production of hot water in the home, the rational use of energy in industrial undertakings and the creation of national advisory bodies on combined heat and power production in the industrial sector and for district heating. All these measures are designed to reduce waste in energy consumption. The general aim is to save fifteen percent of previously forecast energy consumption by 1985.

A further series of proposals will be submitted in the latter half of this year.

Demonstration projects

The Commission has also approved a proposal for financial support from the Community budget for various demonstration projects which could lead to considerable energy savings.

These projects would be in addition to the various research and development programmes already going on in the Community, and close liaison is foreseen between Community and national R & D projects.

For various projects such as combining production of heat and electricity in factories, and other proposals for marketing energy saving techniques, the Commission proposes an annual budget of about 50 million EUA at constant prices. The Commission is also concentrating efforts in fields where money could best be spent in order to help exploit our own energy resources to the best advantage and reduce dependence on supplies from outside. The outstanding candidates are the exploitation of geo-thermal power (underground steam sources, or hot water, or hot rocks), and schemes for the gasification and liquifaction of coal, of which the Community has relatively abundant reserves.

Geo-thermal power and coal gasification and liquifaction

For the geo-thermal projects, the Commission proposes as a first step an outlay of about 10 million EUA next year, and for the coal process, a sum of 16 million EUA.

Up to now coal gasification (which has a long history) has not been very successful although new methods being tried in Belgium and Federal Republic of Germany notably, are more promising. As for

liquifaction, new methods are being tried. The cost of petrol produced by this method works out at about 0.13-0.16UA per litre (refining costs of normal crude about 0.10UA). It might be prudent to concentrate at first on producing heavy oil, at a cost of about 0.11UA a litre. A pilot project would allow evaluation of the process.

In general Community financing would be only for a small proportion of the total cost of any project : a maximum of 40 % in the exploratory phase, of which 50 % would be repayable if positive results are achieved, and 20 % in the utilisation phase which would be payable in its entirety.

Energy saving by improved insulation in home and offices

The Commission is urging Member States to speed up the energy saving drive by setting a target for a reduction by five percent of total energy consumption by better insulation of existing buildings. A seven year programme is being suggested (1978 - 1985) at the end of which some 30 percent of existing dwellings and 20 percent of other buildings (apart from those used for industrial purposes) would have been affected by the measures envisaged.

Priority would be given to the modernisation of buildings with a remaining useful lifespan of at least 20 years. The aim would be to reduce the amount of energy needed for heating by measures such as the following :

- insulation of walls and roofs,
- installation of double glazing,
- improvement of heating plant,
- installation of thermostats and regulators.

It is estimated that at present some 60 percent of heat loss occurs through external walls, roof and floor. The remainder is roughly equally divided between ventilation and glazing.

The actual measures to be taken to finance and encourage schemes would be for the Member States to decide.

The number of dwellings in the Community is estimated at more than 90 million. About one third would qualify for the programme. In addition there are about 3,6 million offices and public buildings.

These measures would be highly labour intensive. If carried out in full, it is estimated that the programme could generate some 700 000 jobs.

4. EXTRACTS FROM THE SPEECH BY Mr A. GIOLITTI, MEMBER OF THE COMMISSION, AT THE OPENING SESSION OF THE CONFERENCE OF LOCAL AND REGIONAL AUTHORITIES, STRASBOURG, 24 MAY 1977

Mr Giolitti began by taking stock of the Regional Fund's achievements since it was first set up. He emphasized that while the Fund was an indispensable instrument, it was not powerful enough to eliminate the imbalances existing within the Community. Since 1975 the Fund had supported 3 300 investment projects. Of the 945 paid out, 320 million have gone to finance industrial operations and 580 million to infrastructure projects. The Fund helped to create or preserve 60 000 jobs in 1975, and 55 000 in 1976. The Regional Policy Committee has adopted a common outline for regional development programmes. Member States will have to submit their programmes to the Commission by the end of this year, so that projects can be selected and the different financial instruments coordinated.

Mr Giolitti went on to give a brief outline of the Community's future regional policy guidelines. In the EEC as a whole priority must be given to the fight against inflation, not only in the traditionally backward regions but also in areas hit by economic and industrial reconversion. The Commission was therefore working to increase the effectiveness of the Regional Fund by adapting it to suit the different types of situation where its aid was likely to be needed. It would be possible, for instance, to divide the resources available in two, allocating a certain proportion under the existing national quota system and reserving the remainder to finance specific projects not covered by these quotas.

Naturally, the scale and diversity of regional imbalances in the Community called for considerable financial resources. The limits of the Community budget meant that expenditure on regional policy could not be radically increased; consequently, the Community would have to undertake a financing programme partly based on loan issues.

Mr Giolitti concluded his speech by stressing that regional policy was a key element in building Europe. If the EEC was to become a Community of free and equal peoples, and not simply a market regulated by diplomatic agreement at summit level, it must be built on strong and stable foundations.

5. ADOPTION OF THE SIXTH VAT DIRECTIVE

The Council of the European Communities has adopted a sixth Directive on VAT on the basis of a proposal submitted by the Commission on 29 June 1973 and amended on 26 July 1974.

For two reasons, the adoption of this Directive represents a milestone on the road towards an integrated Community: with regard to finance, it means that the "own resources" arrangements can now be operated in full, and, in the tax area, it means that VAT can be made more neutral as regards competition.

I. THE INTRODUCTION OF THE DEFINITE ARRANGEMENTS FOR THE "OWN RESOURCES" SYSTEM

What are "own resources"? They are revenue accruing from taxes levied on certain transactions such as imports, sales and purchases. The revenue is generated by the transactions themselves, and is not determined by a scale of payments, as is currently the case with the financial contribution which the Member States make to the budget of the Communities.

The decision to replace Member States' financial contributions by the Communities' own resources was taken by the Council in 1970. The changeover should have been carried out gradually: initially, own resources comprised only the agricultural levies and an increasing proportion of customs duties, the balance of expenditure being covered by financial contributions from Member States calculated on the basis of a scale of payments.

Under the terms of the Council decision, the Community's budget should have been fully financed, from 1 January 1975, by own resources. The financial contributions of the Member States, should have been replaced by the allocation to the Communities of a given percentage of VAT revenue (up to a maximum of 1% of the basis of assessment). But the Council was unable to agree on a definition of a uniform basis for assessing VAT, and the system of financial contributions, now calculated on the basis of each Member State's share of Community GNP, was continued up to and including 1977.

Now that the sixth Directive has been adopted, the own resources arrangements can be completed and the Community will have a system giving it financial autonomy. In practice, this will only be achieved when the Council has approved the implementing financial regulation relating to VAT, and when the Member States have adapted their internal legislation.

Transition to the complete own resources arrangements has important implications:

- it will put an end to the "relative shares" system, under which Member States' contributions were calculated on the basis of temporary criteria (scale of contributions, share of Community GNP). From 1 January 1978, the system of financing will be neutral, in the

sense that the own resources paid by Member States will stem purely from the economic activity in each State. (In the case of the three new Member States, however, the Treaty of Accession imposes certain limits on actual payments until 1980).

- The new system will also impose new constraints as regards budget estimates and management. The volume of revenue will be a more rigid factor than in the past, since it will no longer be a question of adjusting revenue a posteriori to cover expenditure, as in the case of financial contributions from Member States. Accuracy in estimating revenue and strictness in administering expenditure will therefore be even more necessary than in the past.

II. HARMONIZATION OF THE BASIS OF ASSESSMENT

The new Directive takes a good deal further the process of countries' VAT systems, the principles and main points of which had been fixed by the first two Directives of 11 April 1967. In particular, it ensures greater neutrality in international trade for services as well as merchandise by eliminating cases of double taxation and non-taxation. It also improves the competitive position of undertakings established in the Community as regards trade with non-member countries, particularly in the services sector.

The need to ensure that own resources are collected fairly by Member States has led to a thorough harmonization of all the arrangements likely to influence the amount of such resources. In particular, the Directive lays down common rules as regards liability to tax, the definition of taxable transactions, the taxable amount, the chargeable event of the tax, the right of deduct, etc. It also gives common lists of exempted transactions and institutes special common arrangements for small undertakings and some types of farming.

Temporary exemptions

Generally speaking, the Directive lays down common rules; in a very few cases the Council must later take decisions either on aims or on arrangements for applying principles already adopted. However, the immediate implementation of the common solutions adopted would have led, in some cases, to major economic or social difficulties in several Member States. The Council has therefore agreed to grant temporary exemptions in such cases to allow the Member States concerned to adapt their laws gradually to the Community provisions. In five years' time the Council will give a ruling as to the phasing out of these exemptions.

Finally, the Directive provides for the setting up of a consultative committee composed of representatives of Member States and chaired by a Commission representative. This Committee will have power to examine any matters arising from the application of Community rules on VAT. It will certainly play an important and useful role during the years ahead.

Although the sixth Directive marks an important stage in the process of VAT harmonization, it is far from being the end of the matter. During the years to come, the Commission will be aiming first to complete the harmonization of the structures and implementing procedures, and then to work towards the alignment of rates, which remains the long-term objective: as long as rates vary from country to country, tax frontiers will survive within the Community.

6. CONSUMER PROTECTION: DISPLAYING PRICES OF FOODSTUFFS

The Commission has just approved and sent to the Council of Ministers a proposal for a Directive on consumer protection in the marking and display of the prices of foodstuffs (1). The Directive states that all foodstuffs for supply to the end consumer shall have their selling prices and unit prices marked and displayed.

The Commission is thus giving effect to an important feature of the Community programme for a consumer protection and information policy, which, in its chapter on information, provides for the establishment of "common principles for stating the price and possibly the price per unit of weight or volume".

Not only does the clear display of unit prices inform the consumer: it is likely to increase market transparency and intensify competition. It is also counter-inflationary because of its effect on prices; and it may thwart certain misleading advertising ploys and reduce the waste resulting from the use of certain types of packaging.

SCOPE

The Directive covers all foodstuffs for supply to the end consumer and put up for sale; it does not include foodstuffs sold between traders or wholesale transactions with trade buyers and warehousing and storage whether or not the depots or stores are in the immediate vicinity of the place of sale.

Advertising, offers for sale and catalogues stating prices of foodstuffs are subject to the same rules as foodstuffs displayed at the place of sale. Information displayed and disseminated in this way is increasingly used to promote sales and the drawing power may work to the consumers' disadvantage. For instance, most supply prices must be accompanied by a statement of their period of validity.

Three product categories are laid down:

- 1) Foodstuffs sold in bulk, i.e., unpackaged
- 2) Foodstuffs prepackaged in varying quantities
- 3) Foodstuffs prepackaged in predetermined quantities.

These are the different ways in which foodstuffs are currently put up for sale. The consumer must be given sufficient information to make simple price/quantity comparisons.

It is not necessary for every packet to carry the unit price: the Commission is well aware of the effect this obligation would have on the retail price. The proposal for a Directive provides for flexible forms of price-making, such as signs, posters and wall display.

Certain foodstuffs on sale to the public are not accessible, e.g. those placed in refrigerated cabinets. In this case too prices

by weight or volume may be displayed by poster or wall chart.

THE STATE OF THE LAW IN THE MEMBER STATES

Between 1969 and 1975, four Member States of the Community adopted laws and regulations on unit pricing by weight or volume: the Federal Republic of Germany, France, the United Kingdom and Belgium.

The other Member States do not have specific legislation on the matter, but most, especially Denmark, have detailed price legislation. Two Member States, the Netherlands and Denmark, have taken steps to make unit pricing compulsory.

This Directive is designed to make unit pricing general in all Community countries.

THE STANDARDIZATION OF PACKAGING

Community provisions on prepackaged products and the standardization of prepackaging have been adopted or are before the Council of Ministers of the Community.

The Council has already adopted a Directive on the making-up by volume of certain prepackaged liquids, and another on the making-up by weight or by volume of certain prepackaged products. A proposal for a Directive on ranges of quantities for certain prepackaged products is currently being examined.

These provisions may make it easier for the consumer to compare products at the point of sale by providing additional information on the quantities sold.

Several Member States, e.g. Federal Republic of Germany, France and Belgium, consider the standardization of packages and unit pricing as complementary. Therefore categories of foodstuffs for which simple ranges of package sizes have been established may be exempted from the unit pricing requirement. For this reason the Directive allows for a fairly wide-ranging exemption for prepackaged products according to standardized category.

7. THE EUROPEAN TRADE UNION INSTITUTE

The following question from a Member of the European Parliament was put to the Commission (Written Question No 1002/6 by Mr Howell):

Article 307 - European Trade Union Institute - of the 1977 Commission Budget contains a token entry, with 100.000 u.a. in Chapter 100. The 'remarks' column states 'This Institute will help trade union organizations taking part in Community work to establish training and information services for their members to give them greater insight into the true facts of the Community and to improve their linguistic ability. The creation of such a body, which can count on the active support of the trade union organizations must involve the participation of the latter.' Moreover, in paragraph 266 of their Tenth General Report the Commission stated that it 'has continued its efforts to assist the European trade union organizations in setting up a European Trade Union Institute; this should become operational under their authority sometime in 1977.'

1. Will the Commission list the trade union organizations referred to in the above two extracts from the Budget and the Tenth General Report ?
2. When will the draft statutes of the Institute be forwarded to the European Parliament ?

The Commission answers as follows:

1. The Commission is referring to the European Trade Union Confederation, which includes all the trade union organizations that participate in the Community's work with the exception of three French national trade union organizations.

Furthermore, the Council and the European Parliament, by accepting a proposal for a transfer from the 1976 Budget for launching the European Trade Union Institute, have implicitly acknowledged that the ETUC is the only organization qualified to represent workers at Community level. In addition, it should be noted that the ETUC is also the only trade union organization to have taken the initiative to create such an Institute.

2. The drafting of the statutes of the European Trade Union Institute is the responsibility of the European Trade Union Confederation. The Commission will, for its part, submit a proposal at the right moment concerning the provision of aid towards the running costs of this Institute.

The idea of a trade union institute originated with the Commission and was given concrete form in the Community's social action programme in 1974. The aim was to put the unions on a footing with the employers in the dialogue between the two sides of industry

and help European trade union organizations to set up facilities to instruct members on European matters.

The ETUC has recently submitted a draft statute and a programme of activities to the Commission.

8. THE UNIONS AND THE LONDON SUMMIT OF 7 AND 8 MAY

On 6 May the OECD's Trade Union Advisory Committee sent a report to the twenty four OECD member governments which stated that economic policies carried out since the Puerto Rico summit had failed. Unemployment was still the number one social and economic problem in the OECD countries, according to the member unions. Consequently, the unions were asking the heads of government meeting in London on 7 - 8 May for a change of direction and a new "scenario for growth".

The TUAC is putting forward a series of measures aimed at securing full employment by 1980. They call for consumption to be boosted, while avoiding any rekindling of inflation, to sustain an annual 2% growth in employment from 1978 to 1982; this would imply overall annual growth rates of 6 - 7% over the next three years.

In the first stage of this programme the emphasis would be on job creation in the public sector, where governments can intervene directly (subsidized housing, etc). This would raise purchasing power, leading to increased demand and hence new investment.

However, investment will have to be sustained, and needs to reach much higher levels than it has done over the past few years. The current movement towards a new world order also implies a change in the nature of growth; henceforth growth must also meet qualitative objectives. Growth as such, says the TUAC, is not inflationary, but an active anti-unemployment policy needs concerted action by the governments of different countries to control the oligopolies who are largely responsible for rising prices. More intergovernmental cooperation is also needed to help countries with balance of payments deficits and prevent speculation. The IMF could do more to support member governments' full employment policies. Over the years, structural imbalances have developed as a result of the unrestricted growth of the multinationals, exchange rate disturbances, the uncontrolled expansion of the eurodollar market and the exploitation of cheap labour. The TUAC feels that talks on the liberalization of international trade (e.g. GATT) should take account of these problems and look for new ways of reaching full employment. This would mean that the OECD governments would have to make concessions as regards price and market stabilization to allow the developing countries to meet basic needs as quickly as possible.

9. THIRTEENTH CGT-FO CONGRESS, VICHY, 10 - 13 MAY 1977

The French Confédération Générale du Travail (General Confederation of Labour) and the Force Ouvrière held their 13th Congress in Vichy from 10 - 13 May, attended by 2 200 delegates and many guests from other countries.

The Secretary General, Mr André Bergeron, reported on progress since the previous Congress, held in February 1974 in Toulouse. In his introductory speech he made the following statement on European affairs:

"Today the interdependence of national economies and the substantial share of industrial production going for export are well known facts. That is why we have always been supporters of a United States of Europe. Our present difficulties show that the only hope lies in concertation between the main industrialized countries, particularly at European level. It is not hard to criticize the European institutions: we have done so ourselves. But it must be admitted that their job is not an easy one. Often, they are prevented from taking effective action by the hesitations, squabbles and rivalries of the Member States: the crisis in the steel industry is a good example of this. There are six million unemployed in the EEC and instead of making an effort to overcome their economic, monetary and social problems, the member countries are simply withdrawing into their shells.

So far, the danger of dissolution has been averted; but the threat to the Community grows daily. Things cannot go on like this for much longer.

Everyone knows that no one government, whether our own or another, can go it alone. No country can be sure that the policies it chooses will not be negated by the decisions of its near or distant neighbours.

There are those who are against any strengthening of Europe in the political sense, maintaining that it is really a Community of technocrats, industrialists and businessmen.

It is true that at first Europe can only be a union of nations as they are with their democratically elected governments!

But it is up to us, to the European Trade Union Confederation, to ensure by our efforts that it evolves to become a Community of workers also. One thing is certain: we cannot attain this objective by destroying what has already been achieved.

Opposition from another side comes from those who are afraid that strengthening Community institutions will threaten national independence. On the contrary, the real threat to national independence comes from carrying on in the chaos we now have, giving up the attempt to sort out the present contradictions with all their economic and social consequences.

Agriculture is a striking example. Not long ago, wine growers were fighting the import of wines from Italy. I am sure they had good reasons for doing so, and at any rate we cannot criticize others for demanding what we ask for ourselves — the right to defend our own interests! But a few days later the British were breaking imported French eggs!

Working out common policies and deciding which problems should be dealt with at supranational level is, of course, the business of the various EEC governments. But these decisions must be put into effect; this task falls to the Community institutions, if they are to be given such increased powers, obviously they should be supervised by a European Parliament whose jurisdiction has been radically transformed.

All this explains why we are in favour of direct elections to the European Parliament. We are not telling you which candidates to vote for; that would be against the rules of our organization. We are supporting a principle. It is our hope that a campaign carried out in the different Community countries simultaneously will be able to rally the public, who have lost sight of the European idea over the years.

I hope that this Congress will strengthen the Force Ouvrière in its commitment to Europe."

"IN FAVOUR OF TRADE UNION INDEPENDENCE"

On the final day, Congress approved a general resolution by 83.5% of the votes cast by 2 247 delegates.

The text of the resolution as it concerns Europe is as follows:

"This Congress reaffirms its basic commitment to the goal of an economically, socially and politically united Europe. Continuing progress towards a "United States of Europe" is vital for the preservation of liberty and peace.

Congress approves the decision of the heads of government of the Nine Community Member States to organize elections to the European Parliament by direct universal suffrage and trusts that this important step towards democracy for the Community institutions will revitalize Europe and rekindle the popular support which has been by repeated delays, the lack of political will on the part of Member States and their reluctance to relinquish powers.

Congress considers that to overcome the effects of the economic crisis, particularly in the fields of employment, inflation and currencies, there is a need for effective coordination of economic, social and regional policies at Community level. This will call not only for unity of purpose but for reinforced powers of decision and surveillance for the different Community authorities."

At a meeting in the Valéry Larbaud Centre in Vichy on 14 June the national joint committee of the CGT-FO elected the members of:

- the joint board
- the national executive committee
- the board of control
- the disputes committee.

Pierre Galoni, Robert Degris and Pierre Tribié left the joint board. They are replaced by Jean Doriac, as treasurer, Willy Gitler and Marcel Lalonde.

The new joint board of the CGT-FO consists of:

Secretary General : André Bergeron

Treasurer : Jean Doriac

Members : Maurice Derlin
Antoine Faesch
Willy Gitler
André Heurtebise
Paulette Hofman
Marcel Lalonde
Antoine Laval
Roger Lerda
Jean Rouzier
Roger Sandri

10. SYMPOSIUM ON EMPLOYEE PARTICIPATION AND COMPANY STRUCTURE
(GREEN PAPER)

A symposium on employee participation and company structure was held in Brussels on 4 - 5 May 1977, following a series on information sessions organised last autumn by the "Trade Union" division of the DG for Information, the DG for the Internal Market and the European Trade Union Confederation. Representatives from all the organizations affiliated to the ETUC were present.

The Commission was represented by Viscount Davignon, the industrial affairs commissioner, who gave an account of the meetings dealing with the 5th Directive and the European Company.

The discussions provided an opportunity for the Commission services to gain an impression of the developing views of the Member States' trade union organisations on questions of company law, and they will also enable the ETUC secretariat to finalize its attitude vis-à-vis the Commission.

11. IN BRIEF

a) COMMISSION RAISES MINERS' SEVERANCE PAY TO 1 000 U.A.

The Commission of the European Communities has decided to raise the severance pay granted to miners under Article 56 of the ECSC Treaty to 1 000 u.a.

The grant was fixed at 625 u.a. in 1968 and raised in 1972 to 750 u.a. (in terms of national currencies). Because of inflation and substantial parity changes since 1973 the grant had lost its original value in the coal-producing countries.

The Commission contribution to the flat-rate severance allowance for coal miners made redundant between 1 January and 31 December 1977 will be DM 2 750 for Germany, Bfrs 42 000 for Belgium, FF 5 500 for France and £ 675 for the United Kingdom.

b) MR DAVIGNON RECEIVES AN INTERNATIONAL DELEGATION FROM THE STEELWORKERS' UNIONS

On 25 May Mr Davignon received a delegation of steel industry trade unionists, led by Mr Rebhan, Secretary General of the International Federation of Metalworkers and Mr E. Weis, Secretary of the ICFTU-ECSC Liaison Office.

The attitude of the trade unionists towards the Commission's new plan for the steel industry was generally favourable. They emphasized, however, that no satisfactory solution to the industry's problems could be found within the confines of Europe and that coordination on a world scale was indispensable.

c) COMMISSION GRANTS 91 MILLION U.A. UNDER THE REGIONAL FUND, SECOND INSTALMENT 1977

The Commission has just allocated the second instalment (1977) of aid from the European Regional Development Fund, amounting to 91 million u.a.

This aid will be used to finance 490 projects in six Member States (Belgium, Denmark, Germany, Ireland, Italy and the United Kingdom), corresponding to a total investment of 803 million u.a. Of the 91 million u.a., 48 million will go to 159 projects in industry, crafts and the service sector, while the remaining 43 million u.a. will help to finance 331 infra-structure projects.

The Fund's first payments of aid date back to October 1975, and since then a total of 945 million u.a. has been paid out, divided as follows among the Member States:

Belgium	17.47 m.u.a.	Germany	42.11 m.u.a.
Denmark	13.65 m.u.a.	France	122.49 m.u.a.
Ireland	72.22 m.u.a.	Italy	389.5 m.u.a.
Luxembourg	0.75 m.u.a.	Netherlands	15.5 m.u.a.
United Kingdom	271.89 m.u.a.		

The aid is paid to the national Governments in proportion to their own expenditure on the projects concerned.

In conformity with the rules of the Fund, Governments can then transfer the money to investors or alternatively may consider it as partial repayment for their own expenditure, on condition that this aid is used for other regional development projects, thus raising the overall resources devoted to regional development.

d) COMMISSION GRANTS FIVE MILLION U.A. IN ECSC READAPTATION AID

The Commission has made available readaptation grants under Article 56 of the ECSC Treaty for coal and steel workers in Belgium, Germany and the United Kingdom. This aid, financed from the special ECSC levy, covers only half the estimated cost of the various re-adaptation schemes; the remainder will be paid for by direct contributions from the Member States concerned.

The grants are distributed as follows:

- Germany: 2 406 workers at the "Sachsen" mine belonging to Ruhrkohle AG-Bergbau are to get DM 8.9 million (3.3175 million EUA); 345 workers at the Neviges steelworks belonging to Stahlwerke Bochum A.G. will receive an allocation of DM 245 000 or 91 250 EUA.
- Belgium: Bfrs 39.5 million (961 250 EUA) is going to 1 417 workers affected by rationalization measures by the Forges de Thy-Marcinelle et Monceau company.
- Bfrs 2.25 million (55 500 EUA) goes to 35 workers from the Tôleries Delloye-Matthieu company, Marchin.
- United Kingdom: £ 819 000 (1.27 million EUA) has been allocated to 1 130 employees of the Duport Steel Works, South Wales;
- £ 48 000 (77 250 EUA) has been allocated for the readaptation of 221 workers from the British Steel Corporation's Workington plant;
- the grant of 192 000 EUA made last December to 292 workers at BSC's Rotherham plant has been increased by £ 45 040 (67 250 EUA).

12. PUBLICATIONS

European Documentation

The Commission's Directorate-General for Information has just published two editions of "European Documentation".

No 1/77 deals with the European Community and the developing countries, whilst No 2/77 contains an account of the problems of European education policy and the Community's action in this respect.

Both these publications are available in the official Community languages and can be bought from the press and information offices in the national capitals and at the Commission headquarters.

European Community - R&D Information - "Research and Development" series

This is a new monthly publication put out by the DG for information; it is designed to keep interested laymen - and others - in touch with the Commission activities in the research and development field, and spread knowledge of this important field which looks towards the future.

Copies of this new series are available free of charge. Requests should give full name and address, occupation, and state the language desired; they should be addressed to the Commission of the European Communities - Directorate-General for Information - X-11 - 200, rue de la Loi, 1049-Brussels, Belgium.

Note on the situation of migrant workers in the EEC

To mark the twentieth anniversary of the signing of the Treaty of Rome, the national secretariat for immigrant labour of the CGT (Confédération Générale du Travail, 213, rue Lafayette, Paris X) has published, jointly with the INCA (a body charged with the welfare of Italian workers in France), a study of the situation of migrant workers in the EEC. It recalls some of the main recommendations of the CGT on migrant labour, and is called "Vingt ans après" (twenty years later); the introduction is by Mr Marius Aposto, a member of the CGT's executive committee.

Force Ouvrière - monthly bulletin

The May/June edition of Force Ouvrière's monthly bulletin, under the heading "E ... comme Europe ... comme Espoir", also deals with the achievements and problems of European integration.

International agreements and women's economic, social and cultural rights

A Belgian trade union activist, Mrs Emilienne Brunfaut of the Fédération Générale du Travail, has published a reference work containing the essential points of UN, UNESCO, ILO, ETUC and EEC declarations, pacts, conventions, directives, recommendations, resolutions and action programmes relating to the problem of women's rights, as a contribution to "1976 - Year One of the International Women's Decade".