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GLOBAL AND LOCAL TENSIONS : THE SOCIAL DIMENSION

Extracts from a speech by Dr. P.J. Hillery, Vice-President of the Commission of the European Communities, to the Canadian Institute for International Affairs, at the Royal York Hotel, Toronto, on Thursday, 22 May 1975

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"In most debates on institutional questions (whether in the global or local mode) - and the current debate is no exception - it is noteworthy that discussion of the relevance and importance of social policy rarely bulks large. As the current debate develops I am becoming more and more concerned that this is a fundamental mistake. I believe that the social dimension goes to the heart of the matter...

In the energy and raw materials debate, for example, the social consequences of changes in patterns of energy consumption and raw material supply and processing have received relatively little examination. Most of the examination from the establishment side of Government and the social partners has concentrated on the adverse effects of any constraint on energy supply. Neither the possible advantages in terms of human welfare of changed patterns of supply nor the overriding requirement that investment in new sources of energy should be environmentally safe have received adequate study and attention.

The same type of point may be made about the raw materials' question. If the producers' wish for a stable and equitable price for the materials available, together with a share in the employment and added value offered by its processing is to be met, the implication is that current processors and consumers must be prepared to reorganise their activities accordingly. One of the many important features of the Lomé Convention which the Community has recently signed with 46 developing countries, and which many people regard as a model in the field of trade and development, is that it recognises the inevitability of such change and has provision within it for consultation with the social partners most likely to be affected.

But to return from the global to the domestic situation; here we find again neglect of the social background to what are conveniently described as "economic problems."

Within the Community and its member States I can understand some of the reasons for this neglect. The initial thrust of the Community experiment was to achieve that degree of free movement for trade, capital and services which would permit its development through a customs union into an economic and monetary union. There was no drive to exploit the Treaties' potential as instruments of regional and social policy, for example.

Particularly since the first Paris Summit and the enlargement of the Community in 1973, I am glad to say that ways have been found of extending the importance of the role of social policy at Community level. This finds current expression in the Community's Social Action Programme covering the period 1974-1976 which represents an initial choice of priority actions aimed towards three fundamental objectives: full and better employment; improved living and working conditions and greater participation in economic and social decisions.

Though few of the actions by themselves can have an immediate effect on the current situation, the fact that through the programme proposals - and, for example, its new proposals for worker participation in industry - the Commission has initiated a Community-wide debate on social issues has been, I believe, of major importance. It must continue to be stressed, however, that without the whole-hearted political support

of the member states it will never be possible to create at Community level the resources to make more than a marginal contribution towards solving those social issues which are a vital dimension of any economic recession.

If the Community is to make the contribution to economic development it was intended to, it must be in a position to influence all the relevant factors. In general terms, it seems to me that the only sound framework for future social and economic progress must surely be based on the development of social institutions to bring about a generally acceptable and equitable distribution of total resources between private and public consumption, investment and exports.

In particular, there would appear to be a real need for the development of a comprehensive institutional framework permitting a continuous dialogue between governments and the social partners regarding the relative share of resources involved and, within the total available for private consumption, regarding the distribution of resources to different social groups. Where the member states of the Community are concerned I believe that it is both possible and to the advantage of all that a strategy designed to underpin such a framework should be developed at Community level.

To sum up: my argument has been that any strategy for the solution of major current problems must have within it as a "sine qua non" a human dimension. The argument has naturally been developed with the particular problems of the European Community as a background. It is, nevertheless, an argument which, if valid, must have echoes for a developed economy such as your own."