EUROPEAN LABOUR BULLETIN

Published by the Britain in Europe Committee in co-operation with the Information Service of the High Authority of the European Coal & Steel Community.

ABOUT THIS BULLETIN

This bulletin is intended for trade union, labour and cooperative editors and education officers. It will contain information about the new communities of Europe and the contribution and role which trade unionists and socialists on the Continent are making to them.

It will be produced from time to time by the Britain in Europe Committee, in cooperation with the Information Service of the High Authority of the European Coal and Steel Community in the United Kingdom. Its object is to provide authoritative material on European developments for use in the publications and educational activities of the Labour Movement.

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The Editors will be pleased to supply photographs for publication and to provide additional facts and special articles as required. Material in this bulletin may be reproduced with or without acknowledgement though in all cases a voucher copy of the publication containing the reproduced material would be appreciated. The Editors would also be pleased to receive from readers items of news of British Labour's views on Europe, for inclusion in future issues.

MAY 1958

The Britain in Europe Committee is an organisation of industry and commerce concerned with questions of European unity. The trade union members of the Committee include: Frank Cousins, Harry Douglass, Douglas Houghton M.P., Ernest Jones, Sir William Lawther, Ronald Smith, Sir Thomas Williamson, Tom Yates. All communications should be addressed to the Committee at 61, Catherine Place, London S.W.1.

TRADE UNIONS AND THE EUROPEAN COMMUNITY

Meeting the New Challenge

The setting up on January 1st of the Common Market and Euratom has presented the trade unionists of the 'Six' with a new challenge. Over the next twelve to fifteen years, France, Western Germany, Italy, Belgium, the Netherlands and Luxembourg are to merge their separate national economies into a new single unit through the creation of a customs union and a common market. National barriers to the movement of goods, capital and services, and to the free circulation of labour, will all disappear. The new Communities, together with the six year-old European Community for Coal and Steel (ECSC), which has already introduced a common market for coal and steel and allied products, are the means by which the 'Six' will move gradually towards a single European Community. The new unit of 165 million people will replace the single national economies of the past.

This revolutionary step has been undertaken by the 'Six' in the best interests of their peoples. Common action in eliminating the barriers which divide Europe, says the Preamble to the Common Market Treaty, is aimed at ensuring 'the economic and social progress of their countries' and has as its essential purpose the constant improvement of living and working conditions. Freed from national restrictions, the industries of the 'Six' will be in a position to expand, to extend the scale of their activities, to produce more (and more cheaply) and to increase sales. By 1970, it is estimated, the 'Six' will have become at least the second largest trading area in the world.

These new dimensions of economic activity will bring many new problems for both sides of industry. No one in the future will be able to think solely in terms of their own economy, nor will the problems that arise be able to be met at the purely national level. This is as true for the trade unions as it is for the industrialists. But this is no leap into the dark. Over the past six years the operation of the pilot Community - that for coal and steel - has given the industries concerned experience of what a common market involves. It has reassured the trade unionists of the 'Six' about its effects on themselves

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and those whom they represent. Nothing in fact is more striking than the way in which the trade unions, initially hostile and suspicious to the idea of a transference of power from national governments to a supranational community, have come round to be perhaps its most enthusiastic supporters. This has been shown by the way in which trade union representatives have insisted that the powers of the High Authority in the field of social policy should be extended and made more direct.

The reason for this change of mind was well put by Bob Edwards MP, General Secretary of the Chemical Workers Union, in a recent debate in the House of Commons. Referring to the time when the Community was set up, he said:

> " I well remember the fears in the British trade union movement. It was predicted that this integration would lead to mass unemployment, that the inefficient pits in Belgium would be closed down and the workers thrown out of employment..... It was predicted that there would be a lowering level of unemployment and a shattering of the living standards of the people, that wages would go down to the lowest level and that social security would be harmonised to the lowest level.
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> All those prophets of despair have been proved wrong by events. On the contrary, the wages of industrial workers employed in the community have risen..... It is a fact, and it should be stated, that nowhere in the world have the workers more security of employment than have those workers employed by the European Coal and Steel Community. "

The operation of the European Coal and Steel Community has shown that the workers of the 'Six' have nothing to fear - and everything to gain - from the new situation and from an extension of the same principles that have governed the working of the Coal and Steel Community. When the institutional arrangements of the new Communities are examined, it is at once clear that they contain the same provisions as those which have proved so effective in the case of the European Coal and Steel Community. The institutions themselves are in fact a guarantee that the voice of the trade unions will be heard and will play an effective part in the shaping of policy.

The arrangements in the new Communities which ensure this follow the same pattern as that working in the European Coal and Steel Community.

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From the start, the 'Six' realised that their new venture could not succeed unless both sides of industry were properly represented at various strategic points in the governmental machinery of the new Communities. In the formal sense, this need was met by the setting up of a Consultative Committee attached to the High Authority (the nine-man Executive vested with a number of supra-national powers) and by making it obligatory for the High Authority to consult the Committee before arriving at many of its decisions.

In the case of the ECSC, this body consists of a maximum of 51 members, equally divided between producers, workers and consumers. For the new Communities there is to be a similar and larger body called the Economic and Social Committee. It will have 101 members, representative of various categories of economic and social life, made up as follows:

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Like the Consultative Committee of the ECSC (which remains unchanged by the new developments) this Committee, too, will have to be consulted by the Commissions which will occupy in the Common Market and Euratom organisations roughly the same position as the High Authority in the ECSC. Here, then, is one guarantee that the needs of the trade unionists in the six countries will have a means of expression at the centre of the new Communities. How strongly their voice can be heard will evidently depend in part on how large a percentage of the members of the Economic and Social Committee they will have. This point still remains to be decided, but strong pressure has already been exerted by representatives of the unions on the governments concerned to see that they are equally represented with the employers' side.

At all events, the experience of the ECSC points to the value of such a body from the point of view of the trade unions of the six countries. It provides not only a formal platform on which their needs can be expressed, but also an opportunity for personal contacts with the policy-makers of the institution itself. In the case of the ECSC, for example, the Consultative Committee has played a

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considerable part in stressing the social aspects of the Community's work and urging that more power should be given to the High Authority in this field. Its meetings have been a constant reminder both to the members of the High Authority and its staff - and to the Council of Ministers - that the Community has above all a social objective for which adequate means of action have to be provided.

A second institution which provides a valuable platform and pressure point for the trade unions in the Communities is its parliamentary body - the new European Parliamentary Assembly. This Assembly, which replaced the Common Assembly originally set up within the ECSC by a larger body of 142 members drawn from the parliamentarians of the six countries, has been brought into being to ensure a democratic control over all three Communities. About a third of its members are socialists and they, like the Christian Democrats, Liberals and Independents, have set up a political group which cuts across national political allegiances and seeks to arrive at a common socialist policy on major issues. It was this group which introduced a motion at the Assembly's first meeting at Strasbourg last month, asking that workers' and employers' representatives should have an equal number of seats on the Social and Economic Committee, a motion which the Assembly as a whole approved. Although the Assembly has no formal power in this particular field, two factors tend to make its views of considerable account in the affairs of the Communities. The first is its legal right to force the resignation of the Commissions at any time by a two-thirds vote of no-confidence; the second is the publicity given to its proceedings. Both are likely to increase its part in shaping policy in the future. Through its Committee meetings, as well as its plenary sessions, its members will have an opportunity to raise problems and issues of particular interest to the workers of the 'Six'. The value of this platform was already apparant in the old Common Assembly of the ECSC, the last debate of which was notable for the way in which it echoed the Consultative Committee's insistence that the High Authority should be given more power in the field of social policy.

In the new Communities, as in the Coal and Steel Community, the trade unionists of the 'Six' have at their disposal the formal means by which to exert pressure on their development. Only time can tell how effectively this pressure can be exerted, but with vigilance and with such instruments at their disposal, trade unionists across the Channel can be relied upon to make the most of them.

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TRADE UNIONIST HEADS COAL AND STEEL COMMUNITY

M. Paul Finet as President

A veteran trade union leader, well-known in international trade union circles, now heads the European Coal and Steel Community. He is M. Paul Finet, who was elected President of the High Authority by the ministers of the six member countries early this year. M. Finet has been a Member of the High Authority since it was set up in August 1952, enjoying the distinction of being the co-opted member in a body whose other eight members were appointed by the governments concerned.

M. Finet, a Belgian, has been active in trade union affairs for the greater part of his life. Aged 60, he began his trade union career in his local branch of the Belgian Metalworkers Union and rose successively to the post of Assistant Secretary of the Regional Metalworkers Union (Charleroi) and to that of National Secretary of the Belgian Trade Union Federation. Active also in international trade union affairs, he became in November, 1949, the first Chairman of the International Confederation of Free Trade Unions.

He is no stranger to this country. During the last war he spent some years in London in exile, - attached to the secretariat of the Belgian Ministry of Communications - and was specially commissioned to study social questions. When he was last here, in December, he expressed a wish to meet more trade unionists in this country and impressed them with his evident belief that the Coal and Steel Community offered new prospects to the workers of Europe. He has himself, in fact, been responsible for much of the High Authority's achievements in this field.

He has made it clear that in his new office he will remain faithful to those ideals which have guided him throughout his life, and that under his presidency the High Authority will retain and exercise all those powers provided under the European Coal and Steel Community Treaty.

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READAPTATION IN THE COMMON MARKET

Protection against Redundancy

New situations produce new words. "Readaptation" is a case in point. It is one of the new words of the European Common Market. "Readaptation" means all those measures which ensure that workers are protected from redundancy. If the Common Market brings changes which mean that they have to change their job, or place of work, or need to be re-trained or rehoused, readaptation ensures they suffer no material or financial loss.

Readaptation answers the problems which will arise both in the Common Market and the projected Free Trade Area. It assures at the same time increased productivity, full employment and higher living standards. Readaptation measures will be necessary to ensure that the full benefits of both the Common Market and the Free Trade Area are passed on to the workers. Firms of all sizes, in many areas, and in diverse fields of production will have to adapt themselves and their methods to the new and larger markets. And so, too, will the workers. Some may have to change their jobs and place of work, some will have to move to other industries, others will have to learn new techniques.

Although the whole process of bringing in the Common Market is to be gradual - between 12 and 15 years - it may well have abrupt repercussions on some industries in certain areas. Those who drew up the Treaty for the Common Market realised this and made provisions to deal with what might otherwise threaten to be harmful effects on the workers concerned. They relied heavily on the experience gained by the six year-old European Coal and Steel Community, which developed readaptation as a method to meet the new situation created by the setting up of a common market. And over these years the Community has had much experience in putting readaptation into practice. In this time, the techniquesof readaptation have been tested and proved effective.

These techniques give a full protection to the worker faced with redundancy. They consist of a number of different measures - all designed to smooth over the change from one job to another. They include :

(i) payment of a "waiting allowance" equal to the workers' basic wage until those affected obtain a new job;

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(ii) re-training for a new job where necessary;

(iii) payment of travel and furniture removal charges and also of re-housing costs when the worker has to move to a new area;

(iv) in certain circumstances, provision of investment loans for new industries to absorb labour outside the particular industry.

In a nutshell, readaptation is the means of raising living standards by eliminating the hardship of transitional unemployment and thus overcoming resistance to technical change.

In the Coal and Steel Community, the financial burden of such readaptation measures is divided between the High Authority and the government of the country in which the measures are applied. From the start, the fundamental principle was established that readaptation measures could not be left to any single state, much less to a particular firm. Just as the "Six" had agreed together to create the Common Market, so they agreed that action to deal with its effects should be a concerted, common effort.

This was common sense - for it might have happened that all the burden of readaptation would otherwise have fallen on one country (as it might also in a Free Trade Area). The arrangements made provide that firms affected shall submit their case for help with readaptation to the High Authority through their national government. The other institutions of the Community - the Consultative Committee and the Assembly in particular - ensure that pressure can be put on a reluctant government so that cases when submitted are passed on - as the Treaty requires - to the High Authority.

Twenty thousand workers have benefited to the extent of £4½ million in one way or another from the readaptation aid of the Coal and Steel Community.

One of the most successful schemes has been in the Loire area of France. There, as a consequence of the merging of four separate steel plants, all within a one-mile radius of St. Etienne, readaptation aid was given to 12,000 workers. The total cost was £300,000, half of which was provided by the High Authority, the other half by the French Government. Although not all the schemes have been totally successful, the experience gained has allowed a progressive improvement of readaptation techniques. In this first common market, readaptation has certainly proved its worth.

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In the Treaty establishing the general Common Market, readaptation is given a special chapter on its own. A further step has been taken - the setting up of 'The European Social Fund' to which all six member states contribute and which is intended (in the words of the Treaty) "to improve opportunities of employment of workers..... (and to promote) employment facilities and the geographical and occupational mobility of workers". As in the ECSC, the Community will itself foot half the bill for the measures taken, the rest being covered by the state concerned. And, as in the ECSC again, the measures will cover:

- retraining
- resettlement allowances
- payments to make up the worker's previous wage level.

The 'Six' will contribute to the Fund in the following proportions:-

Belgium	8.8
Germany	32
France	32
Italy	20
Luxembourg	0.2
Netherlands	7

Much has been achieved in laying the foundations of a truly European social policy. This is demonstrated by the fact that the 'Six' have now agreed to dip into their own pockets to create the readaptation fund for all industry. The administrative mechanism still needs to be improved, in particular to reduce the delay in the actual payment of resettlement grants. Trade unions in the 'Six' are keeping a close watch over these matters, being evidently anxious that the system should work efficiently and fairly.

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COMMUNITY TRADE UNIONISTS REORGANISE FOR THE COMMON MARKET

Trade unionists in the six countries which are members of the Common Market have been quick off the mark to set up organisations to work within the framework of the new Communities. They have been helped in this because both the Free and Christian Trades Unions have already experience of working within the European Coal and Steel Community.

The Free Trade Unions (ICFTU) in the 'Six' with the heavy industries under the jurisdiction of the ECSC have had in existence since 1953 a Committee of 21, with offices in Luxembourg, representing more than 2½ million miners and steelworkers. Similarly, the Christian Trade Unions, with a membership of half a million, established in 1955 a Federation - also with headquarters in Luxembourg - after it had been proved that a simple liaison bureau could not work quickly or effectively enough. Both organisations have been effective in maintaining daily contact with the Members and staff of the High Authority. They have developed channels of informal pressure at a European level - a "European TUC" - work which has previously been undertaken by national trade union centres.

The creation of the new Communities - covering a much wider field of economic activity and affecting the interests of many more unions - evidently required a new initiative on the part of the unions themselves. The initiative has been taken, and both the Free and Christian trade unions have set up new organisations to meet the challenge.

Meeting on January 16 and 17 in Düsseldorf, representatives of the Free Trade Unions of the 'Six' decided to set up a "European Trade Union Committee" consisting of a general assembly and an executive committee. The assembly will be made up of 80 delegates from the national organisations of the six countries, the European regional organisation of the International Confederation of Free Trade Unions (ICFTU), the Common Market, Euratom and ECSC Committees, and representatives from the international industrial trade union federations. The Executive Committee, which will have its headquarters provisionally in Luxembourg (but which has already set up an office also at

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Brussels where the Common Market and Euratom organisations have some of their staffs) is composed of 13 members, headed by a president. At the Düsseldorf meeting, M. Robert Bothereau (CGT-Force Ouvrière, France) was elected provisional president; Herr Willi Richer (German Trade Union Federation), Senior Vice-President; and M. Antoine Krier (Luxembourg Workers' Federation), Vice-President. M. Harma Buiter, previously General Secretary of the Committee of 21 and a leading Dutch trade unionist, was appointed its Secretary.

Alongside the existing Committee of 21, which will continue to operate within the ECSC, it was agreed that two new committees should be set up - one for the Common Market, the other for Euratom.

The Assembly also charged the Executive Committee and its permanent secretariat with maintaining close liaison with the Council of Ministers, and the Commission and services of the Community institutions, so that the trade union point of view should be made known on all important questions.

At the same time, the Assembly passed a resolution declaring that the failure of the governments to nominate a trade union representative to the European Economic Commission created 'an intolerable situation' which should be changed as soon as possible. The resolution also demanded that the Board of Directors of the Investment Bank should include trade union personalities or persons who have the confidence of the unions, and that trade union candidates should be among those to be considered for important technical and administrative posts in the Economic Community and Euratom.

NEW COUNCIL OF CHRISTIAN TRADE UNIONS

Shortly after the Düsseldorf meeting which set up the European Trade Union Committee, a European conference was held by the International Federation of Christian Trade Unions, this time at Luxembourg. By a unanimous vote, a 'European Council of Christian Trade Unions' was set up within the framework of the IFCTU. The direction of the Federation's activity at a European level was entrusted to an Executive Committee consisting of six representatives of the National Confederations and three of the Trade Union Internationals at the highest level. The Committee will be assisted in its work by a number of specialised panels for different aspects of the Common Market and Euratom and by a permanent secretariat, the headquarters of which remains to be decided in the light of the Ministers' decision(due by 1 June) on the site of the headquarters of the Communities themselves.

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INFORMATION ON THE COMMON MARKET

As yet there is no official information service of the European Economic Community or Euratom in this country. General information about them and the Coal and Steel Community can, however, be obtained from Mr Roy Pryce, Press & Information Officer, European Coal and Steel Community, 23 Chesham Street, London S W 1 (Tel: SLOane 0456-8).

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Among useful publications available free from the ECSC is a pocket-sized brochure 'What is the Community?' which explains its organisation and achievements; an illustrated booklet 'Europe's First Common Market', which details its operations during 1956/7; and a monthly bulletin containing current news of all three communities.

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For a nominal 5/-d. (Postal Order made payable to 'Bearer') a study kit on the Community can be obtained from the same address. This contains a coloured filmstrip with explanatory material; a large map of the Community showing coalfields and steelworks; and several wall charts and posters. It is a first-rate introduction to the European Coal and Steel Community, well-adapted for study groups and lectures.

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A complete picture of European developments can be had from a series of documentary leaflets giving basic information in brief and accurate form. Some sixty leaflets, of standard format, are being published during 1958 at quarterly intervals by the European Youth Campaign, 57 Dean Street, London W 1 (Tel: GERrard 9477), together with a special file for easy reference ... price 15/-d.

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A simply-written illustrated pamphlet, 'Britain in Europe - Viewpoint for the Labour Movement', with a foreword by Sam Watson, is available from the Britain in Europe Committee, 1/-d. post free (discount for quantities).

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A much more detailed study - the first of its kind - is 'Britain and Europe', published by the Economist Intelligence Unit. This examines the likely effects on British manufacturing industry of a free trade area and the European Economic Community. Copies may be obtained from the Britain in Europe Committee, price 16/-d. post free (discount for quantities).

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