

# EUROPEAN LABOUR BULLETIN

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## ABOUT THIS BULLETIN

This bulletin is intended for trade union, labour and cooperative editors and education officers. It contains 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 is produced approximately every two months by Britain in Europe. 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.

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The Editors would also be pleased to receive from readers news items illustrating British Labour's views on Europe for inclusion in future issues.

1954-1955

1956-1957

1958-1959

1960-1961

1962-1963

LOOKING AT EUROPE - A CONTINENTAL  
TRADE UNION VIEWPOINT

Harm Buiter

Secretary of the European Trade Union Secretariat, which groups the Confederation of the Free Trade Unions of the Six Community countries. Formerly Mr. Buiter was Secretary of the Committee of Twenty-One (see below paragraph 4). This article summarises his contribution to a Conference "Trade Unions and the New Europe" held in London last March and organised by Britain in Europe.

European integration has social implications which trade unionists cannot disregard. The outstanding developments have been the creation of the three Communities of the Six countries - Belgium, France, West Germany, Italy, Luxemburg and the Netherlands. The only practical experience gained so far has been in the European Coal and Steel Community (ECSC) which has existed for seven years. The European Economic Community (the Common Market) and Euratom only came into being at the beginning of 1958, and some time must of course elapse before their influence can be assessed.

The decisions to set up these Communities were political rather than economic, though each of these organisations operates in the economic field. It is very important to bear this factor in mind when considering European economic integration. In the case of the ECSC, the intention was to place the basic industries of France and Germany under a European government in order to forestall a recurrence of the wars which have devastated Europe. The two new Communities are designed to carry this objective a stage further.

Trade unionists have played a major role in the ECSC. When the treaty establishing the ECSC was negotiated, all the delegations - except that from Luxemburg - had trade union leaders amongst their members. They worked together to press the trade union viewpoint, and were so far successful that a leading trade unionist was co-opted as the ninth member of the High Authority. (He was Monsieur Paul Finet, a Belgian who has been President of the High Authority since January 1958). Trade unionists were also appointed to the Court of Justice. In the Consultative Committee representing the coal and steel industries, and which advises the High Authority, one third of the fifty-one members are trade unionists.

The integration of industries also made necessary the integration of trade unions. The metal and coal workers established a special committee to represent their interests in the Community, which became known as the Committee of Twenty One - the number of members. It was a hard job to work out a common policy despite the trade union traditions of international brotherhood. As a rule international organisation

had been confined to the exchange of information. There were, moreover, major differences in their approaches to trade union problems. Whereas the French unions relied on winning government support and achieving their objective by legislation, the Germans employed the methods of collective bargaining as they enjoyed no government backing.

The formation of the Community has helped the trade unions to integrate. There is now comparable information about conditions of work in the coal and steel industries in all six countries. Problems relating to these are considered by mixed committees of workers and employers. For instance, it was shown that the hours of work - 52 per week - in French industry were much longer than in the other countries. The pressure of opinion in the mixed committees led the French employers to agree to a reduction of four hours.

Another problem concerned the free movement of labour. To meet it, agreements were made between unions for transfers of membership. Nevertheless the trade unions foresaw - and events have proved them right - that little movement would in fact take place, as it has been restricted to skilled workers. But some migrant workers, brought in under special arrangements, have been difficult to organise in trade unions, especially when they have come from areas without trade union traditions; a case in point is the Italians in the Belgian coal mines. Much depends, however, on whether the migrant workers come just for a few years, or whether they can be persuaded to settle permanently.

Sometimes the employment of foreign labour results in unavoidably irrational wage structures. Thus, Belgians working across the frontier in France are paid 19 per cent more than the French workers beside them, and Belgian girls working at the Philips works in Holland are paid more than Dutch girls. These are not isolated cases, and are a consequence of the economic division of Europe. The movement of labour is needed, but it would be checked by differences in national conditions unless special allowances were offered.

Trade unions have also tried to make their voice heard in the crisis which has developed in the past year in the ECSC. They have been active in putting forward proposals for tackling the problems for labour arising from the surplus of coal. The High Authority itself has sought to meet the situation in a number of ways, for instance by financing stocks of coal and by the payment of allowances to miners on short time. But effective action has been held up by the opposition of one or another of the governments in the Community, so that now there is serious short time working and unemployment in Germany and Belgium.

The Belgian crisis has been particularly acute. The mines in Belgium are scattered and old. Over a hundred are due to have been closed. Working conditions are often very unsafe, and productivity is low. Consequently a Belgian miner is only able to produce one ton, whereas a French miner produces one and a half tons of coal per shift.

About £60 million have been made available by the High Authority and the Belgian Government for the reorganisation of the mines. But the money was misused by the mineowners, owing to inadequate supervision over them. Then early this year three quarters of the mines in the Borinage, where there are no alternative means of employment, were to have been abruptly closed. This sparked off a bitter miners' strike. The time was perhaps inopportune for a strike, but it was effective politically, as it highlighted the crisis and those responsible for it. The Belgian Government has been forced to allocate nearly £180 million for the redevelopment of the region. Unemployed miners are guaranteed a new job in the area within six months. The trouble, of course, is that this planning has come about ten years too late.

The handling of the coal crisis illustrates the increasing difficulties of late in obtaining concerted planning and action by the six governments. Since the ECSC was established the political atmosphere has become less favourable to the left. It was harder to get trade union representatives into the delegations who negotiated the Rome Treaties establishing the Common Market and Euratom. Both these treaties are less satisfactory to labour than was the ECSC treaty.

But the repercussions of the Common Market on the economies concerned are bound to be much greater. It is essential therefore that trade unionists should press their views on such matters as full employment. There are thirty-five trade unionists amongst the one hundred and one members of the Economic and Social Committee of the Common Market. And, to facilitate trade union action, an office\* has been opened in Brussels to follow the activities of the Committee. However, there are no trade unionist members on the Commissions of either the Common Market or Euratom, though there are several members whose political views make them sympathetic to the trade union viewpoint.

The political climate today is also less favourable to European integration than it was. It is in fact surprising that France is staying in the institutions already set up, when one considers past statements by the present French leaders such as Monsieur Debre, the Prime Minister. Nevertheless, the longer France remains in the Communities, the harder it will be for her to withdraw.

At the moment there are six right-wing governments in the

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\*The European Trade Union Secretariat, whose Secretary is Mr. Buiter.

Community. In addition the trade union movement in France and Italy is seriously split between Communist, Socialist and Christian unions. In the Netherlands it is split between Protestant, Roman Catholic and Socialist unions. The Socialists and the Christians work together fairly well nowadays, but their attitudes differ on various subjects. There are also differences in attitudes between the various countries, for example towards the question of public ownership. In Germany there is co-determination but no planning, whereas planning is accepted in France. The labour movement must deal with this situation. The Germans would like to extend co-determination to Luxemburg because German industrialists are moving there.

Trade unionists have continued to support European integration because the success of a trade union movement depends on economic and social conditions. In Europe these conditions in one country depend on the policies followed in another. For instance the three Benelux countries feel greater effects from German policy than from their own. Today Socialism is impossible on a national scale.

All the European trade unions, apart from the Communists, have supported European co-operation. But the trade unions in the Six have shared with the other supporters of integration the desire to go much further. This is based on a feeling of common civilisation and determination that Europe should not remain split up.

A LITTLE FREE TRADE AREA ?

At no stage has Britain been indifferent to the creation of the European Common Market; nor could she afford to be. Almost from the very start, once it became clear that the Common Market stood a reasonable chance of coming into being, the British aim has been to negotiate a looser form of association embracing all seventeen members of the Organisation for European Economic Cooperation (OEEC). The intention was to establish a single free trading zone for virtually the whole of Western Europe (Spain would not have participated), without having to introduce the more far-reaching measures for economic integration envisaged for the Common Market, which would itself have formed part of this larger association.

But this response to the challenge of the Common Market met a sharp rebuff last November when the negotiations for a European Free Trade Area broke down. Ever since then it has been clear that the government would have to find another formula; scarcely anybody thought that nothing should be done; a Little European Free Trade Area is the outcome.

The idea of having a restricted free trade area of this kind has been increasingly discussed in recent months. The argument is that if a free trade area cannot at present be agreed with the members of the Common Market, then as many as possible of the other members of OEEC should go ahead on their own. This is, of course, only one of the many ideas canvassed in recent months. It has, for instance, been seriously proposed that Britain should after all join the Common Market. Others, recognising that this could gravely strain our economic ties with the rest of the Commonwealth, have recommended that an attempt be made to establish firm commercial links between the entire Commonwealth - or most of it - and Europe, leaving Britain freer to enter into greater European commitments than might be practical otherwise. A solution along these lines, for all its obvious merits, however, would be exceedingly complex to work out.

By mid-May it became clear that the government was actively pursuing the expedient of a Little Free Trade Area with the other interested governments. The details are being worked out with great speed. Provided no major obstacles are encountered, a treaty may well be signed and ratified by the end of this year.

The most likely members would be Britain, the three Scandinavian countries (Denmark, Norway and Sweden), Austria and Switzerland together with Portugal, who has shown an unexpected interest in participating. Sometimes referred to as the Outer Seven, these are the members of OEEC most directly affected by the Common Market of the Six - France, Germany,

Italy, Belgium, Netherlands and Luxemburg. The remaining members of OEEC - Iceland, Greece and Turkey - are remaining on the sidelines for the time being since they would require special treatment in this as in any new European trading arrangement.

The central feature of the Little Free Trade Area is likely to be the fairly rapid abolition of obstacles to trade between member countries. Austria apparently wants the pace to be the same as that in the Common Market - that is, spread over a period of twelve to fifteen years. But the other countries, anxious to prove that the idea of a free trade area is sound, seem bent upon quicker measures. At one stage there was a preference, by Britain at any rate, for the elimination of tariffs by the end of next year on all goods except the products of a few sensitive industries. The most probable compromise, however, is likely to be along the lines of the Swedish proposal for cutting tariffs by 20 per cent each year for five years or so, with again some exceptions for each country.

It may be expected that the British exceptions would include such industries as paper, ball bearings, special alloy steels, high precision tools, watches and some chemicals. Altogether about 15 per cent of British manufacturing would be classified as sensitive, and more or less the same proportion in the other countries. Agriculture and fisheries would be excluded for all countries, though an undertaking to ease trading in these sectors would certainly be necessary if the Danish and Norwegian interests are to be satisfied.

No one pretends that a Little Free Trade Area would be a complete substitute for the larger scheme. The Outer Seven do not match up the Six. Their combined population is 88 million (51 million in Britain alone) compared with 165 million in the Common Market; and then there are an additional 34 million in the four unattached countries which would have participated in a full-scale European Free Trade Area. Population alone is, of course, not the only basis for comparisons, and it is well-known that the Outer Seven - Portugal excepted - all have high standards of living. Even so their joint national incomes are less than two thirds of the total for the Common Market, and traditional trading nations though they are their total trade is barely three quarters of the Common Market's.

Their trading interest with one another is also generally less than with the Common Market, though this is not quite so true of the Scandinavian countries. In 1958 the Outer Seven carried out only 17 per cent of their exports amongst themselves, but 23 per cent of their exports went to the Common Market and 28 per cent of their imports came from it. The Six, by contrast, transacted 30 per cent of their

trade with one another, obtained only 16 per cent of their imports from the Outer Seven and sent 22 per cent of their exports to them.

The Outer Seven are geographically dispersed and economically vulnerable. Austria and Switzerland are both wedged into the Common Market, and lack unimpeded access by land or sea to their other prospective partners. Both countries conduct about half their trade with the Common Market, and little more than a tenth with other countries in the Outer Seven. Denmark is very awkwardly placed because Germany is normally almost as important a market as Britain for her foodstuffs.

In addition, the long run economic gains from free trade amongst the Outer Seven are unlikely to be substantial. In recent years their economies have not expanded anything like as fast as have those of the Six. And free trade alone, without concerted international planning, will hardly make much difference to the relative rates of growth between the two groups. It has been estimated that in 1970 the gross product of the Common Market should be about 60 per cent more than in 1955, but the increase for the Outer Seven may not be more than 12 per cent.

As a rival bloc the Outer Seven may not be particularly impressive. But it has one source of potential strength. Its members export to the Common Market less than three quarters of what they import from it. This means that by introducing free trade amongst one another they can increase commerce within the zone at the expense of the Common Market. It is estimated that Britain could possibly expand exports by £100-200 million a year this way. Certainly the motor car manufacturers are looking forward to recapturing the lead from the Germans in the Swedish market.

There are, however, limits to the scope for exploiting these openings. Several of the Outer Seven are vulnerable to reprisals from the Common Market countries, as have been pointed out.

It may well be wondered in the light of these considerations what the point of the scheme is. To appreciate this it is necessary to understand the refusal of the British Government to enter into a customs union with the Six, which could destroy the system of Commonwealth Trading Preferences, and its reluctance to accept many other features of the Common Market. The hope is that the Six will eventually come round to accepting a Free Trade Area for all OEEC countries if they see a pilot scheme working satisfactorily. Pressure will also be exercised through the damage their own trade may suffer from allowing the division of Western Europe to deepen.

This hope then provides the real justification for the scheme, and should in fact determine the shape it takes. So far opinions on

the subject are not clear-cut. Some hold the view that it should not be too elaborate, if this is only a temporary solution, scarcely more than a bold diplomatic manoeuvre. But to others the opposite argument may seem more compelling. The Outer Seven should seize the opportunity for establishing more effective institutional machinery for the co-ordination of economic policies in order to ensure the maintenance of full employment and to attain a more rapid rate of growth. Furthermore, a fresh examination should be made of problems effecting underdeveloped countries outside Europe, particularly those in the Commonwealth.

These questions will certainly be crucial to any attempt at a later stage to forge a link between the Six and the Outer Seven, should their Little Free Trade Area ever come into being, no less than if it fails. The stage has been reached when a further setback to efforts at European economic integration could not but have extremely serious consequences. There is all the more reason therefore to consider bolder measures going beyond largely commercial schemes for free trade, not to mention the possibilities for bringing the Commonwealth more generally into the European picture.

TRADE UNIONISTS RALLY TO SUPPORT OF  
THE COAL AND STEEL COMMUNITY

May 14 was a black day for the European Coal and Steel Community (ECSC). Meeting at Strasburg, the Community's Council of Ministers rejected the High Authority's plan to meet the coal crisis\*. Since then the trade unionists of the six countries have reacted strongly. Both the Free and the Christian Trade Unions have rallied to the support of the High Authority, pointing out the dangers of weakening the Community, and calling on member governments to observe not only the letter but also the spirit of the treaties they have signed.

The dangers of the situation were underlined by the European Trade Union Secretariat, representing the confederations of the free trade unions of the six countries, in a declaration published in Brussels on May 21. This statement expressed their fears at the recent political trend shown by the six governments, away from that desire for progressive economic integration which they had professed in the past, towards a mere voluntary co-operation between governments. This - the Declaration went on - had entailed not only an abuse of the voting procedures laid down in the treaties and the implementation of only a minimum of their provisions, but also outright opposition to attempts by the European authorities set up within the Communities to exert their proper powers. In refusing their agreement to the High Authority's proposal to meet the coal crisis the governments had denied any European solution to the problem.

The Declaration reaffirmed the trade unions' belief that only economic integration could ensure the progressive social development of the six countries; it concluded with an urgent appeal to governments to apply the treaties in the spirit in which they were intended - namely as a step towards a United Europe.

At the end of the month a similar appeal was made by the Committee of the Federation of Christian Trade Unions in the ECSC. This put the major blame for the coal crisis on the member governments of the Community, and pointed out that their failure to come to a decision about the renewal of the term of office of the High Authority (which expired on February 10) had made it impossible for the European executive to rally the support and confidence needed for the approval of its plans to meet the crisis.

Both these statements show the strength of the support among the

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\* See EUROPE'S HUGE COAL SURPLUS in the European Labour Bulletin for February 1959.

non-Communist trade unions of the six countries for the Communities and, in particular, for their European executives. The political issue of who should have the effective say within the institutions is of fundamental importance to the unions, as their statements show. The question is not whether the six governments will carry out their obligations under the treaties for, barring some quite unforeseeable turn of events, the economic pressures already at work will lead inevitably to the creation of the full Common Market. What matters is the spirit in which the governments will act.

Although the three governments - of France, Germany and Italy - which opposed the High Authority's plan acted from widely differing motives, the political attitude of the first two towards Community executive institutions has clearly undergone a substantial change since the ECSC Treaty was formulated. This was already clear in 1957 at the time of the signing of the Rome Treaties. Although these provide for the possibility of an eventual reinforcement of the powers of the Executive Commissions it is now clear that the two major powers among the Six are in no haste - to put it mildly - to move in that direction. The dangers of this are precisely those foreseen by the authors of the Schuman Plan. It was they who insisted on the need for strong central institutions, equipped with the necessary powers to enforce - among other things - common rules of fair competition. It is all the more evident to-day that unless the Common Market itself is equipped with such rules, and the means for their enforcement, industrial pressure may thwart the basic intention of the Common Market. Large enterprises, and groups of enterprises, would then gain as firm a control over the wider market as they have had in the past in the smaller national markets.

The political problem from this aspect becomes an economic problem too; the failure to reach political agreement on the way to resolve the coal crisis shows this very clearly. Now that the governments have rejected a Community approach only piecemeal solutions are possible. It is doubtful how effective they will be even in the short run to meet what is a continuing, and what may well become a deepening, crisis.

The latest figures show, for instance, that in April pithead coal stocks rose to 30 million tons, Germany having added almost another million tons to its load of unsold coal, followed closely by France with another 877,000 tons.

What is being done to meet the situation? The High Authority has reserved the right to introduce its concerted plan again later on if the situation gets worse. Meantime it is working on a series of special measures for the most seriously affected industry, that of Belgium. The Council of Ministers agreed to a number of its proposals

in May, and a comprehensive plan for the re-organisation of the Belgian mines is to be considered by a six-nation conference of experts. In the meantime another ten Belgian mines are to be closed in the current year, and Belgian production is to be reduced by ten percent from 1958 to 24.3 million tons in 1959. The High Authority has also requested the Belgian Government to take steps to reduce its imports of coal from non-Community countries to a maximum of 1.45 million tons, a cut of one third compared with last year. For workers affected by short-time working, a total of £1.8 million is being set aside by the High Authority for special aid.

For the rest, individual governments are taking measures (which must, of course, be in conformity with the treaty) to meet their own particular problems. In Germany for example reliance is being placed on a prohibitive tariff on non-Community coal imports, and the introduction of a 5-day 40-hour week in the mines. The European Parliamentary Assembly has now called on other countries to follow the German example by also introducing a 40-hour week for miners.

It remains to be seen what effects these measures will produce. But if the short term situation must continue to give rise to anxiety, the long term prospect is even more disturbing. Here the problem revolves about the possibility for the Community of a co-ordinated energy policy. Only by this means - or a radical revision of the existing ECSC Treaty - could a clear future be mapped out for the coal industries of the Community. The present absence of any provisions for a concerted commercial policy for coal imports, short of the application of the measure connected with a 'manifest crisis' (which the governments have clearly indicated they are unable to accept), is not a temporary difficulty but one which promises to be a constant threat to the cohesion of the Coal and Steel Community. Faced by the prospect of continuing cheap sources of non-Community coal, and by increasing competition from other fuels, the future is extremely uncertain for what in the past has been in the six countries - as in our own country - a major basic industry.

It is not surprising then that trade unionists in the Community, looking ahead, see in the reinforcement of existing Community institutions the only sure hope of a just and practical solution to economic problems, as well as the only certain way towards a politically united western Europe.

FRENCH TRADE UNIONS AND  
THE FIFTH REPUBLIC

by

G. Ventejol

Secrétaire Confédéral, CGT Force Ouvrière - the socialist trade unions in France; and a member of the Consultative Committee of the European Economic Community.

The highlight of 1958 was our struggle for the respect of basic democratic liberties. We were opposed, in conjunction with others, to anything which might have been an illegal attempt to take power by force. Even today the threats have not altogether disappeared. Our aim therefore is to make the Force Ouvrière the dynamic centre for gathering together men deeply attached to collective and individual liberties and to social justice.

Social justice was seriously undermined at the end of December 1958. The devaluation of the franc, the consequent rises in prices, the cuts in Social Welfare benefits, the fairly general wage freeze (no less effective for not having been declared), all these provoked resentment, the more lively because many Frenchmen had believed in miraculous solutions from the new policies. In fact the sacrifices, some of which are highly questionable, weigh heavily on the workers. So much then for the "reforms". So far as the way in which the decisions were taken is concerned, it is worth pointing out that they were taken in great secrecy without any consultation with the trade union movement. The employers on the other hand were represented on the Rueff Committee which recommended the reforms, and it may be said that their views prevailed. Article 20 of the 1959 finance law goes so far as to stop all consultation with workers where changes in Social Welfare provisions are concerned. This cold shouldering of the trade union movement has added to the discontent among workers.

The standard of living of workers in France has slowly deteriorated. From the middle of 1958 industrial activity began to decline while total and partial unemployment increased. The decline of hours worked even exceeded that in 1952, a year of recession. The average working week dropped from 46 hours to 44. It was recently estimated that 40 per cent of workers had been affected by more or less important reductions in working hours.

At the same time as workers' incomes have been falling, prices have been rising. Between the middle of 1957 and the beginning of 1959, prices rose by about 20 per cent. It is estimated that a

further rise of over 5 per cent occurred in the first quarter of this year, and it is still far from certain that the end is in sight. Whatever may be the result, this diminution of purchasing power has weighed heavily on working class budgets, independently of the recent measures restricting Social Welfare benefits.

It is the worst-off consumer who has been most affected. He bears the brunt of the sacrifices, and it is difficult for him to overtake the price spiral. The government, after having "granted" a 4 per cent salary rise to officials and civil servants in the public sector, "enjoined" the employers not to exceed this average percentage for workers in the private sector. This is but a new and slightly disguised form of national wages policy.

Is it social injustice? We have said so! But will the economic difficulties be overcome? It is by no means certain that we shall expand exports sufficiently to counteract the effects of the 14-17 per cent devaluation. Will our neighbours import our products? Indications so far are not very encouraging. To diminish internal demand without increasing external demand would be more than social injustice; it would result in an accumulation of stocks, and in the long run greater unemployment.

Much is apparently expected from new investment to revive the economy and to restore its expansion. As far as private investment is concerned, it may be wondered whether employers will be able and willing to carry out investment for future expansion, if current order books do not appear to warrant it. As regards investment in the public sector, the basic choice arises between productive projects and unproductive ones however desirable. But it is no use pretending that everything is possible everywhere at one and the same time. We therefore pin our hopes on productive investment in the public sector which is moreover indispensable for building an economically and socially united Europe.

Against this background one question stands out. It is a question which will be asked in all countries where events in Europe are being closely followed. Can Europe really stand for economic and social values, when it includes France where through neglect they can be the more easily suppressed?

In these circumstances the function of the trade union movement in France is more than ever to stand by its principles and to find a new humanism which the rest of the world can recognise and respect. We must arouse public opinion and concentrate our propaganda even more on the conditions for a real economic and social democracy. It will be difficult, but we are convinced that we are on the right

road. The danger is serious, as we are living at a time when most men are prepared to place their destiny in the hands of others, and to forget their duties as citizens. Our duties must be to draw attention to the facts to make men conscious of their responsibilities as citizens and to give them the possibility of participating fully in a social and economical life bound by a common ideal.

The world is watching us and expects something from us. We have a clear message to give. Above all poverty and ignorance must be removed. The free countries should make a common effort to ensure under-developed countries their independence, and steady economic and social progress. While we must avoid encouraging the illusion that such countries can quickly reach the standard of living of the western countries, we should give them the assurance that their evolution is guaranteed by the free countries.

The stakes are high; they concern the freedom of the world, our own freedom. By conquering ignorance and poverty we can help to bring freedom to these countries. Let us give them the means to enjoy more than a bowl of rice.

Between the traditional capitalist solution and the temptation to drift into dictatorship, which is synonymous with economic efficiency for some people, we must offer to those countries a third solution which will make possible economic growth, social justice and the respect of human liberties. We must create economic conditions to the measure of man.

A great opportunity is offered the free trade unions to help bring all this about, and to this end we must strive to work together more closely than ever before.

SPECIAL FEATURETRADE UNIONS IN EUROPE:I- WEST GERMANY

An article largely based on information provided by the DGB (the German Trade Union Federation), the first in a series of articles to be published in the European Labour Bulletin on trade unions in European countries.

The trade union movement has played a major role, all too often overlooked, in the political and economic recovery of West Germany. In size, prestige and authority, it is greater today than ever before in German history. Without the active cooperation of the trade unions the so-called German economic "miracle" could never have taken place. Now that the reconstruction phase is over the trade unions are bending their energies, with impressive success, to advance the claims of the working classes for a larger share of the national product and a bigger voice in the direction of the economy.

Trade unions, amongst the first of the organisations singled out by Hitler for suppression, were also amongst the very first to revive after the war. From the purgatory of those years, 1933 to 1945, and from the events leading up to them, trade unionists learnt one basic lesson: the need for working class unity. Previously, besides many splinter groups, trade unions had been divided along ideological lines into socialists (over 70 per cent of the total), Catholics (nearly 20 per cent) and Liberals. Nowadays political and religious differences remain only as an unhappy memory of former working-class disunity.

In consequence, the trade unions have deliberately avoided a close link-up with any of the political parties. This neutrality does not, of course, mean that they are indifferent to politics. The procedure they adopt resembles the practice of the American rather than the British trade unions: they press their views on all the parties, leaving each to decide its own policy. The unions are naturally well aware of where their best friends are. The traditional sympathy with the Socialist Movement, now represented by the SPD (the Social Democratic Party), holds good. But the absence of a formal connection with the SPD has resulted in differences of attitude towards a number of questions. In particular the trade unions are primarily concerned to secure the maximum benefits for their members irrespective of the prevailing economic system. For this reason they have not come out in open conflict with the CDU (the Christian Democratic Union) which has headed all postwar German governments. This party is wedded to the principles of private enterprise and a free market economy; but it embraces several progressive elements, whose roots go back to the former

Christian trade unions and whose outlook frequently corresponds with that of the German Trade Union Federation - the DGB.

Attempts have been made to extend to the trade unions in Eastern Germany the same practice of neutrality towards political parties within the Federal Republic. Various conferences have been held and committees established in an effort to find a formula for practical cooperation in strictly union matters. But always without success, because the leaders of the Eastern unions are not democratically elected, being in effect little better than official appointees.

The DGB by contrast is thoroughly democratic, all responsible officials from shop stewards to members of the Federal Executives being directly or indirectly elected by union members for fixed terms of office. Sixteen large unions are affiliated to the DGB and determine its policies. (In Eastern Germany the reverse applies: the central organisation dictates policy to the individual unions). The member unions are all organised on an industrial rather than an occupational basis, so that demarcation disputes can be settled within the unions themselves. It will be seen that the structure of the German movement, reshaped as it was after the war, differs considerably from the British which has developed gradually over the years.

By the end of 1958 the membership of the DGB had climbed to 6.4 million, an increase of about a million members in ten years. The peak figure in the inter-war years was 9-10 million, a total which of course applied to the whole of Germany. This was reached during the period of rampant inflation, an experience which very much coloured the unions' attitude to wage claims during the early postwar period.

The sixteen unions affiliated to the DGB are:-

- the engineering and metal workers, with 1.6million members;
- the public utilities and transport workers, with 850,000 members;
- the miners, with 594,000 members;
- the chemical, paper and pottery workers, with 473,000 members;
- the building and quarrying workers with 440,000 members;
- the railway workers, with 427,000 members;
- the textile workers, with 390,000 members;
- the food and catering workers, with 310,000 members;
- the postal workers, with 240,000 members;
- the timber workers, with 187,000 members;
- the printing and paper workers, with 133,000 members;
- the commerce, banking and insurance workers, with 117,000 members;
- the horticultural, agricultural and forestry workers, with 94,000 members;
- the leather workers, with 94,000 members;
- the education and scientific workers, with 75,000 members;
- the art and craft workers, with 35,000 members.

In addition there are several unions for white-collar wage-earners, notably civil servants, which are not affiliated to the DGB.

Four points stand out in the policy of the DGB as adopted at the Munich Congress of 1949: (i) the pursuit of full employment through

economic planning and respect for "the status of free men", (ii) the adoption of "co-determination" rights for organised labour in the direction and management of industry; (iii) the nationalisation of key industries, notably mining, heavy chemicals, power, iron and steel, public transport, and credit institutions; and (iv) the securing of social justice through the distribution of a fair share of industrial profits amongst workers, and the assurance of a living wage for the old and infirm.

Of these objectives, the one unique to Germany is the principle of co-determination. Its adoption has represented the most important entry of the German trade unions into the political field, with a view initially to offsetting the enormous power concentrated in a few hands in the giant combines of the Ruhr.

In the immediate postwar period, the unions had obtained representation on the new managerial and supervisory organs set up by the Allies for the coal and steel industries. But this position was paradoxically lost when these industries were decartellised and subjected to ordinary company law. The unions demanded that their rights should be restored and properly guaranteed. In 1951, after a bitter struggle, co-determination was established for the coal and steel industries on a basis of parity with the shareholders' representatives. The supervisory boards, which are largely responsible for policy under German company law, are composed of five nominees from the trade unions, another five by the shareholders, and one co-opted member. In addition trade unionists sit as directors responsible for labour and social questions on the boards of management.

A less satisfactory measure of co-determination was won in 1952 for all concerns with five or more employees outside the coal and steel industries. In these cases labour representation on the board is restricted to one-third of the members.

It might seem to the outsider that this system would seriously handicap the unions in their bargaining with employers. The German unions are fully aware of this danger but are satisfied that the advantages they have gained outweigh this consideration in practice. Experience has proved, moreover, that the employees' fears lest co-determination should paralyse business initiative are unfounded. The system has worked fairly smoothly, though not as well as the unions had hoped it would.

The DGB is now fighting to consolidate and extend its achievements. One threat to the principle of co-determination has come from the planned amalgamation of the Mannesmann concern with its subsidiaries, which means that labour faces the prospect of losing its representation on the subsidiaries. Another threat comes from the moves by some

companies to transfer their headquarters to near-by Luxemburg, where the co-determination law does not apply. The trade unions are also trying to have the co-determination legislation strengthened for other industries, and they are demanding the establishment of a Federal Economic Council and various other bodies with equal representation for both labour and employers.

The achievements of the trade unions in the field of co-determination have not been matched by any similar successes with regard to public ownership. Here in fact a losing rear-guard action is being fought. Far from the public sector of industry being extended, it is being contracted by the sale to the public of so-called popular shares in the most profitable enterprises left in the hands of the state following the collapse of the Nazi regime. The best known of these concerns is the Volkswagen works in which the famous motor car is produced. So far this has not been handed over to shareholders owing to strong trade union and political opposition which has managed to turn to good advantage a highly confused legal situation. But several other enterprises are being sold.

The DGB's objections take two forms. First, the unprofitable state enterprises will obviously not be sold and will become a charge on the taxpayer, instead of having their losses set against the profits of the more efficient concerns. Secondly, and far more fundamental, the trade unions are very anxious about the growing concentration of German industry. They are highly sceptical about the prospects for the success of the government's attempt to spread the ownership of industry amongst a large number of shareholders. For the present the trade unions will probably try to counter these trends through seeking improvements to the system of co-determination, but they are showing growing interest in more public ownership, which clearly cannot be brought about until there is a change of government.

In any case the main weight of the trade union movement has been increasingly exerted towards improving the wages, purchasing power, and conditions of work of its members. This reflects at one and the same time, first the determination of the unions to secure their due share of the rapid advances in investment and hence production made possible by their policy of wage restraint in the past, and secondly the greater reluctance on the part of employers to concede higher wages at a time of mild recession. For all their efforts, wage increases in 1958 were the lowest for four years. Even so these were substantially greater than in Britain. Some 8.3 million manual workers obtained increases in their guaranteed wages of 7.3 per cent, and 2.7 million clerical workers increases of 5.5 per cent, making an average of 6.8 per cent by comparison with an average of 8.0 per cent in 1957. It may be

noted that the cost of living increased by 3.1 per cent in 1958 and by 2.3 per cent in 1957.

Ever since May Day 1952 the DGB has also demanded the introduction by stages of a 5 day 40 hour week. At present the 48 hour week is almost universally in force, but this year there have been several notable advances. A 44 hour week without loss of wages was introduced in February for 13,000 workers in the margarine industry. In January a 40 hour week was won for the first time for the 15,000 workers - mainly women - in the cigarette industry. The outstanding development, after a vigorous campaign had been organised, was the negotiation in April of a 40 hour week for the half million miners, at the temporary cost however of an 8/- drop in weekly rates to about £10. Nevertheless the loss in earnings is expected to be compensated for by a reduction in short time working which had extended to about a third of the coal pits in the Ruhr, owing to the recession. It is interesting to note that the coal owners have in effect agreed with the Miners' Union that a shorter working week is one method of ameliorating the present difficult position in the industry. An attempt is now being made to secure similar terms in the textile industry, which has likewise been hard hit by the recession.

Other recent advances were obtained through the government's commitments to bring about equal pay for women by 1962 and three weeks holiday with pay. These follow from the ratification and application of the Treaty of Rome setting up the Common Market. Equal pay and more ample holiday allowances have both been planks in the DGB's action programme for several years; there are over a million women members of trade unions.

The trade union movement provides its members with a number of special services, besides advancing their claims in the economy. A bank is operated by the DGB in conjunction with affiliated unions and the cooperatives. Through its own building society the DGB is able to alleviate the shortage of houses for workers. An "Old Peoples Welfare Organisation" has also been established. Considerable efforts are made in the fields of education and vocational training, through various residential colleges and other establishments run by the DGB itself, the individual unions or the cooperatives.

Worthy of special mention is the Trade Union Economic and Scientific Institute. It is widely recognised in academic and other circles outside the trade union movement for the high standards of its advanced research work, which is of course of considerable practical value to the unions themselves. In addition, most unions are very well equipped with qualified research staffs of their own, and are thus amply furnished with technical data about the increasingly complex

industrial problems with which they are faced.

The DGB is naturally still far from achieving many of its short term objectives, let alone its long term aims. The wonder is, however, that it has been so successful despite the influx of millions of refugees from Eastern Germany who have afforded such a substantial pool of unemployed as, inevitably, to gravely handicap the trade unions. But conditions have changed, for Germany is prosperous and unemployment this April had fallen to 396,000 - equivalent to 2.0 per cent of the working population compared with 3.0 per cent in April 1958. The stage is set for fresh advances. Before these can come about, however, considerable struggles must be endured.

Today the German trade unions face the equivalent of their Taff Vale case. In 1956, 25,000 members of the Metal Workers union, proudly claimed by its chairman Otto Brenner to be the strongest in the world, went through a remarkable four months strike which cost the employers some £20 million in production losses. Last November the Federal Labour Court in Kassel declared that the union must pay damages. Unless this judgement is reversed by a higher court or through new legislation, it may be expected that the already tense relations in German industry will become extremely acute.