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Contents:

1. The European Commission's programme for 1976
2. Memorandum on future actions by the Commission in 1976
3. Meeting of the Executive Committee of the ETUC, Brussels,
27 February 1976
4. Trade Union Meeting ACP/EEC
5. Document from the European Secretariat of the General Confederation
of Labour
6. Declaration on the project for a supranational Europe, by the
Executive Committee of the General Confederation of Labour (France),
Montreuil, 11 February 1976
7. Structural problems in the fishing industry and in the sea fishermen's
unions

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1. THE EUROPEAN COMMISSION'S PROGRAMME FOR 1976

President Ortoli's speech to the European Parliament:

Europe, he said, had had its share of successes and failures over the last few years:

"In economic and industrial terms these years are the worst we have experienced since the end of the second world war.... What is more, the economic crisis had different effects in each Member State, and although, with vigorous encouragement from the Commission, serious attempts have been made to get economic policies closer in step with each other, the gaps between us are wider now than they were when the crisis began.

"On the other hand there is a greater awareness of Europe. The need to build Europe as a united response to problems facing all of us has been felt more keenly both by the powers that be and by the man in the street....

"This year will be devoted mainly to projects of a practical nature, and we shall seek to work with the facilities already available to us in order to discharge three fundamental imperatives:...

1. First imperative: a united front on the major external problems of the day

"We need an independent Europe, a Europe that is able on its own to take those great decisions that shape its destiny. But it will not be able to do so unless it is sufficiently aware of its own identity and possesses enough material resources and economic power to make the transition from talk to decision-making....

"Awareness of a European identity is steadily growing. To the world outside, the Community is a real entity, a new kind of international being. Within the Community, too, the idea is making headway, though the debate will not be really rounded-out until we can talk openly about defence. What we still lack - and that by a great deal - are the resources that would secure our independence....

2. Second imperative: progress on economic and monetary union

"If progress is to be made at political level - that is to say, towards European Union - the Community needs firm internal foundations. If its influence is to be felt in its relations with the rest of the world, it must have the solid backing of a more soundly based economic and monetary unity.... We are not claiming that differences do not exist between the economic situations in the Member States. Such differences do exist, and to some extent restrict our scope for action and delay the day when the Union will be completed. But if we attach too much importance to them, the danger is that we will see them widen and lose sight of our goals.

"But three basic facts must constantly be borne in mind.

"We have already achieved a high degree of integration;... in the economic, monetary and social fields, major steps forward are possible on many points, and - what is most important - this is true despite the disparities between economies; and finally, Europe, as an entity, can and must take steps to close gaps and bring structures into line: agricultural policy, industrial policy, regional policy, energy policy and social policy can all be employed to restore equilibrium and have yet to be exploited to the full....

"The Community can do a great deal to strengthen its internal cohesion and its common economic and monetary policy structures.... Let us also put into effect the energy policy we propose; let us show our interest in industrial policy by offering the aircraft industry a market larger than purely national markets, and hope that it will be able to take advantage of it; let us move towards a more comprehensive tax policy; let us make social and regional policy contribute something over and above mere financial compensation; and I can guarantee that many of the doubts about economic and monetary union which are entertained in high places will then be erased by the stimulating properties of action.

"When viewing these prospects - which our determination can transform into reality - we must not lose sight of the social aims we are pursuing. Each new measure in the economic field - and in particular the search for greater cohesion between national policies - will play a part in our employment policy and in eliminating social inequality. And the converse is also true: each specifically social measure will directly influence the maintenance of economic equilibrium.

"For its part, the Commission will ensure that when devising its plans of action it pays greater attention to social objectives, and particularly the most pressing need - that of improving the employment situation. It will continue the long and laborious work of analysing and harmonizing social policies and will endeavour to see that the resources of the Social Fund are used as effectively as possible.

"If our efforts in the social and economic fields are to produce decisive and lasting results, we must involve all the social and economic groups directly concerned more closely in our work, by keeping them informed and enabling them to take part in the Community decision-making process....

3. Third imperative: participation in the institutional debate

"This will be the year of the great debate about Europe. Following our own contributions, it has got off to a good start with Mr Tindemans's comprehensive report, rich in ideas and proposals. In the present situation in Europe, the publication of the report is in itself a political act. Eighteen years after the Rome Treaties were drafted, Member States and institutions are, for the first time, considering what direction they should take in their pursuit of European integration.

"The Tindemans report contains many proposals on which decisions can be taken without delay. These measures will take effect gradually. But - and Mr Tindemans himself emphasized this - they "cannot occur without a transfer of competences to common bodies ... without a transfer of resources from prosperous to less prosperous regions ... without restrictions, freely accepted certainly, but then enforced unreservedly." The only way to make our joint undertaking more effective is to develop the common policies implemented by the institutions and to increase their means of action. In our own report we stated that this transfer of powers should take place in fields where a common European policy exists to ensure that Europe will progress and prosper and that its influence will be felt in the world....

"Nineteen-seventy-six ... could well be a great year for Europe, if together we succeed in giving a new impetus to a faltering internal policy and if together we play our part in discussing the changes required in preparation for the new phase to be triumphantly heralded in by direct elections. But the struggle for Europe is no different from any other struggle. It will not be won unless our hearts are in it. Nor will it be won without that "political resolve" we hear so much about, which after all is no more than a high-sounding abstraction for ordinary, everyday tenacity."

2. MEMORANDUM ON FUTURE ACTIONS BY THE COMMISSION IN 1976

President Ortoli's programme speech was accompanied by a memorandum giving in detail the actions which the Commission wishes to complete, or see definitely launched during this year.

This edition of "Trade Union Information" provides extracts relating to: economic and financial affairs, industrial policy, social policy, regional policy, and consumer protection.

ECONOMIC AND FINANCIAL AFFAIRS

Despite some signs of an improvement, the Community, in early 1976, is still in the throes of the most serious recession it has had to cope with since the war.

For the Community taken as a whole, industrial production contracted in the full year 1975 by about 8%, inflation was running at 13% (ranging from 6% for Germany to 21% for the United Kingdom) and the number of unemployed rose from 3.5 million to more than 5 million.

These factors will largely determine Commission policy in 1976 in the three main areas of short-term economic policy, medium-term policy and work to strengthen the integration process.

Short-term economic policy

In recent months, a moderate recovery seems to have been getting under way, although the pattern is not uniform in all the countries. This suggests that a real GDP growth rate of about 3% in the Community could be achieved in 1976, a forecast based principally on the following considerations:

- (i) managements have stopped depleting stocks or have started building them up again, and households are tending to some extent to revert to more normal patterns of consumer behaviour;
- (ii) recovery programmes have recently been implemented;
- (iii) world trade has already started recovering.

There is, however, still some doubt as to the scale, the duration and the implications for employment of the recovery. The Commission will therefore keep developments under careful review and maintain close consultation with both sides of industry. In its efforts to spur on the recovery, it will make full use of Article 155 of the Treaty of Rome.

The Commission is anxious to ensure that the economic policies pursued in the Community complement each other and that the disposition of policy instruments available can be altered promptly in case of need. In so far as the expansionary approach in the monetary and budgetary policy is to be maintained, the Commission will submit in due course the proposals needed to ensure that the recovery does not engender further strain with regard to prices and the balances of payments. For this purpose, it will present in the second quarter of the year proposals for the containment of the expansion of money supply and of public expenditure.

Pursuant to the Council Decision relating to the convergence of the economic policies of the Member States,

- (i) the Commission will lay before the Council early in February proposals concerning the adaptation of economic policy guidelines for 1976 to the new requirements of the economic trend;
- (ii) towards the end of the second quarter, the Council will define, on the basis of a Commission proposal, guidelines compatible with the main points in the 1977 preliminary economic budgets;
- (iii) lastly, in the third quarter, the Commission will lay before the Council an annual report including guidelines to be followed by each Member State in its economic policy for the following year.

Medium-term policy

The need to restore the key equilibria, the changed background to international trade, the launching of a more constructive dialogue between unions and managements at Community level and the need to establish the best possible policy routes to be followed mean that policies must now be given a timescale covering several years. For this purpose, the Community must establish the necessary commitments on the basis of a medium-term economic policy programme.

Further to preparatory work carried out in 1975, the Commission, cooperating with the Economic Policy Committee, will prepare a draft medium-term policy programme (the fourth in the series), which it intends to lay before the Council and Parliament in July.

The programme will endeavour to bring out the economic and social implications of the economic policy choices facing the Community. The main problems are growth and employment and the position which the Community wishes to occupy in international relations, but the "democratization" of economic power, especially through increased involvement of the workers in the running of industry and the participation of both sides of industry in the preparation of the main medium-term decisions, will also be dealt with.

When preparing the programme, the Commission will take into account as fully as possible the findings of the Tripartite Conference held in Brussels on 18 November 1975, during which agreement was reached on the value and the need to pursue discussions between unions, managements, governments and the Commission with a view to seeking out together solutions to the problems besetting the Community.

The Commission attaches great importance to these meetings, since they provide a useful forum within which properly interrelated guidelines can be defined at Community level.

The Conference agreed to meet again in June 1976, and on this occasion the Commission will provide a detailed analysis of the economic and social situation, covering more fully the main questions discussed in November 1975, particularly the elimination of unemployment. Preparatory work for the Conference will be carried out in association with the unions and the managements.

In view of the complexity of the present situation and uncertainty as to future trends, research work must be stepped up. The Commission hopes that its proposal to set up a European Communities Institute for Economic Analysis and Research made in 1975 will be endorsed by the Council before the summer of 1976.

Strengthening integration

Progress made recently on the reform of the international monetary system and the incentive provided by the Tindemans report on European Union have provided new bearings for work towards economic and monetary union.

In this context, consolidation of the Community currency exchange system will play a preponderant role. In particular, the Community can hope to make a major contribution to the establishment of stable international monetary relations only if it makes substantial progress internally.

The Commission will do everything in its power to strengthen the Community character of the currency exchange system and extend at the same time the stability area in Europe. This latter objective must be achieved in the first instance through fuller control of the major macroeconomic equilibria, which is indispensable if lasting stability in currency exchange relations is to be achieved. The Commission will take the initiative in every way to help the member countries whose currencies are floating independently to bring their currencies back into the Community "snake". If appropriate, it will propose measures enabling this to be done gradually.

In the context of the world agreement concluded at the end of 1975 on avoiding erratic fluctuations of exchange rates, the Commission will seek to promote even greater coordination of interventions on the exchanges, particularly with respect to the dollar.

To underpin the Community currency exchange system and with a view to substantial progress towards the establishment of a European central bank, the Commission will adjust in the first half of 1976 its proposals concerning the development of the role of the European Monetary Cooperation Fund (EMCF) in the present circumstances and will press for decisions in the Council.

A first aim is to define more specifically the EMCF's responsibilities and to extend them substantially.

In the second place, the Commission is considering whether some or all of the gold to be restored by the IMF to the member countries could not be deposited with the EMCF. Once these deposits, to which, if necessary, other reserve assets could be added, had been constituted, the EMCF would be responsible for ensuring directly very short-term financing and short-term financing.

It is Commission policy to press for increased use of the new composite unit of account (EUA) already being used for the operations of the European Development Fund, for the balance sheet of the European Investment Bank and for the ECSC operational budget.

The Commission is also developing use of the EUA in relations with banks with which it has accounts and in relations with firms having direct links with the Community institutions.

The recovery which is apparently now on the way in the Community could well engender, in certain member countries, appreciable balance of payments deficits. Financing machinery should be activated immediately to cope with these. The main facilities are short-term support and medium-term assistance and the Community loan. Should these facilities fall short of needs, the Commission will propose their extension.

The Commission is pressing for the adoption of its proposal for a Euratom loan, which is part of policy to achieve greater independence for Europe in the area of energy.

The coordination of economic policies at Community level should also be strengthened. In particular, the member countries enjoying Community support should comply as fully as possible with Community guidelines.

In addition, the Commission will urge the national authorities to agree among themselves each year on a degree of growth of money supply compatible with internal and external equilibria.

In addition to progress in these areas, the Commission hopes that as part of the discussions to take place on European Union a detailed analysis will be made as soon as possible of its report to the Council on this question. The whole complex of problems raised by economic and monetary union are discussed in this report, against the background of political union. The discussions should make it possible to establish guidelines for further progress towards economic and monetary union.

INDUSTRIAL POLICY

The economic crisis which continued in 1975 had serious effects on most branches of European industry, and as a result the Member States have taken support measures, generally based on national schemes.

The Commission's aim is to encourage Community solutions to current problems and to ensure that the measures taken by national governments do not cancel each other out or merely export difficulties from one Member State to another.

It will therefore continue with its detailed consideration of the objectives and resources of a Community policy for industrial change, and some of its conclusions will be set out in the fourth medium-term economic policy programme. Particular attention will be paid to the comparative study which it began at the end of 1975 on the various means used by governments to support the development of their home industries.

The Commission will also put forward proposals for Community policies on a number of particularly important or sensitive industries:

- (a) the steel industry, which is in the throes of a particularly acute crisis; here the Commission has already consulted the Council and the ECSC Consultative Committee on the advisability of setting minimum prices, and will shortly decide what action it should take;
- (b) the aircraft industry, where the Commission will press for rapid progress in the consideration of its action programme of last October so that, by the second and third quarters, it can put forward proposals for practical action;
- (c) shipbuilding, where the report on the state of the industry called for by the European Council will be prepared by the end of the first quarter; in the light of this report the Commission will be able to lay before the Council proposals for solving the most delicate problems in the third quarter;
- (d) the whole range of electronics industries, where a medium-term plan will be published, probably in the second quarter, covering three areas (data processing, electronic components and telecommunications).

Although the Council has not yet held a policy debate, the Commission is still working on the inventory of multinational firms which was originally to have been published in the third quarter of 1975. Certain firms were rather slow in replying to the Commission's questionnaire, and the inventory is now likely to appear in March 1976, assuming enough replies are received and the information they contain warrants publication.

To turn to company law, the Commission will do all it can to see that discussion on the main political problems (such as worker participation) arising from the Statute for European Companies is over by the middle of the year, so that technical examination of the Statute may be commenced before the end of the year.

Before the end of the year the Commission also plans to send the Council a proposal on coordination of national law concerning corporate groups. The aim here will be to coordinate the protection of certain classes of persons, such as workers, minority shareholders, creditors and outsiders.

But the Commission's major concern as regards company law will be to organize a very wide-ranging debate in all interested quarters, but especially in Parliament, on employee participation and company structures. This will be based on the green paper published by the Commission late last November.

Since significant progress was made in 1975 on the consideration of a number of proposals for directives to remove technical barriers to trade, the Commission will try and persuade the Council to adopt rather more of these directives in 1976 than in the past so as to catch up with at least part of the backlog which has built up in recent years.

In view of the increase in the number of technical barriers directives in force, the Commission feels that it must attach greater importance to monitoring their application in the Member States. Some improvement was noted in 1975, and the Commission hopes that further progress will be made this year.

SOCIAL POLICY

With regard, in particular, to continuation of the work of the Tripartite Conference and preparation of the medium-term economic policy programme, the Commission will concentrate to a greater extent than in the past on extending social policy to cover all aspects of Community policies, since the remedies for the present situation entail combined action by those responsible for economic and social affairs.

Employment

The Commission will continue to provide and develop up-to-date information on and an analysis of employment problems as part of the programme of studies on the labour market. There will also be increased cooperation with the employment services. A report drawn up by a group of independent experts for the purpose of pinpointing the main problems which will be raised by employment trends during the next few years will clarify the Commission's future action and that of other Community institutions.

The Commission will send two draft recommendations on vocational training to the Council, one to encourage the development of supplementary practical training for young people seeking employment (first half of the year), the other to ensure the development of vocational training for women workers (second half of the year).

In the field of free movement of workers, the Commission will:

- (i) propose measures to be adopted in order to control illegal immigration (first quarter); and
- (ii) implement the first stage of free movement for Turkish workers, pursuant to the Additional Protocol to the Association Agreement.

European Social Fund

The Social Fund - on occasion in close cooperation with the other financial instruments of the Community, and in particular the Regional Fund - will continue to give aid for the training and mobility of labour in all the spheres which have been successively opened up to it.

The Commission regrets that the Council has not adopted its proposals to extend the Fund to cover occupational adaptation operations connected with the recession; it will therefore seek solutions to this problem under the existing system.

Moreover, as required by Article 11 of the Council Decision of 1 February 1971 on the reform of the European Social Fund, the Commission will be reviewing the rules governing the Fund's activity and will lay proposals before the Council at the end of 1976.

Worker participation in management

Commission action in this field this year will continue to be concerned with the Statute for European Companies and the harmonization of structures of limited liability companies.

Living and working conditions

The Commission is planning new specific activities in the following fields:

Wages, incomes and asset formation

It will present to the Council:

- (i) a report on the system of encouraging asset formation by workers (second half of the year);
- (ii) a study on the lowest wage in the Community, followed by the Commission's conclusions (second half of the year).

Social protection and social security

The Commission will present to the Council proposals:

- (i) to extend social protection, and in particular social security, to groups of persons who are not covered or who are insufficiently covered (first half of the year);
- (ii) gradually to introduce equal treatment for men and women as regards social security (second half of the year).

European Social Budget

The first European Social Budget (1970-75), transmitted to the Council in December 1974 and revised at its request, will be available in the first quarter.

In addition, the Commission will propose, during the second half of the year, that the programme of specific measures to combat poverty be continued.

Protection of migrant workers

The action programme for migrant workers, which was the subject of the Council Resolution of 18 December 1975, will be implemented. Measures envisaged by the Commission during the second half of the year include the following:

- (i) formal consultations between the Member States concerning their policies on immigration from non-member countries;

- (ii) in the context of work on the granting of special rights to the citizens of Member States, the Commission will examine the possibility of ensuring the effective participation of all migrant workers in municipal and local affairs in the host country;
- (iii) measures to implement the Association Agreement with Turkey as regards the social security of migrant workers.

Protection of workers in the case of individual dismissal

The conclusions of a report on the position of workers in the case of individual dismissal will be examined in the first quarter with representatives of both sides of industry. The Commission will then decide whether proposals should be made to the Council.

Handicapped persons

The Commission will prepare a long-term programme for the social reintegration of handicapped persons which will be presented to the Council in the second half of the year.

Humanization of work and job enrichment

The Commission's report on the humanization of work will be presented to the Council in the first quarter. The problem will then be examined in connection with the European Foundation for the Improvement of Living and Working Conditions.

Health protection and safety for workers and the population at large

In addition to a number of specific studies and proposals (study on the radiological repercussions of the growth of nuclear power, establishment of harmfulness criteria and common standards of health protection for the principal environmental pollutants), the Commission will put forward during the second quarter an action programme on safety, hygiene and health protection at work on the basis of the guidelines drawn up in 1975. To follow up the work begun since the advisory committee responsible for these areas was constituted, the Commission will also propose concrete measures for the prevention of risks inherent in certain manufacturing processes in the chemical industry (second half of the year).

It will stipulate the medium-term research objectives to be promoted in the social sphere pursuant to the ECSC Treaty (fourth quarter).

Worker participation in preparing Community policies

The Commission hopes to extend the active participation of the two sides of industry here. It envisages in particular:

- (i) Commission aid to workers' organizations with a view to setting up a European Trade Union Institute;
- (ii) continued talks with management and labour in various industries for the purpose of consulting them on the subject of common policies and intensifying joint meetings in the most important sectors of the economy.

REGIONAL POLICY

The machinery of the European Regional Development Fund and the Regional Policy Committee set up last year should become fully operational in 1976.

The Fund is in fact already working, but the emphasis must now be on ensuring that it is used as effectively as possible to correct the Community's main regional imbalances. The Commission will therefore make a special point of ensuring that the Fund's resources go mainly to the regions which suffer from the most serious imbalances and that projects in these regions receiving assistance from the Fund are projects making a genuine contribution to their development. If the situation in the least-favoured regions is to be improved as quickly as possible, the total resources allocated to them must be increased. The Commission will therefore see to it that assistance from the Fund has a more clearly complementary character in supporting the efforts being made by the Member States themselves.

The first regional development programmes drawn up on the basis of the standard outline approved by the Regional Policy Committee will be sent to the Commission in the coming year.

The Commission is nevertheless well aware of the fact that use of these two instruments cannot suffice alone to eliminate the disparities between the regions of the Community.

In this respect it is important to increase the impact at regional level of the financial instruments at the Community's disposal. To this end the Commission has set up machinery to improve the coordination of instruments affecting the regions within its own departments, and the effect of these measures should begin to be felt in the coming year.

In the same context, the Commission is endeavouring to achieve fuller coordination of Community policies to bring about a higher degree of convergence between the objectives of the agricultural, industrial, social and external policies in particular and those of the Community's regional policy.

With the same objective of coordination of Community policies, the Commission is pressing for the implementation of the principles of coordination of regional aids, and this should also help to concentrate effort on those regions where measures are most needed.

Finally, in the present economic situation, dominated by unemployment and inflation problems, the Commission would stress the importance of effective structural policies, particularly of regional policies, which have a decisive contribution to make to efforts to deal with the basic causes of these difficulties.

CONSUMER PROTECTION

The Commission will continue its work on the implementation of the European Economic Community's preliminary programme for a consumer information and protection policy, which was approved by the Council on 14 April 1975.

A number of proposals which the Commission had hoped to send to the Council in 1975 required more time than expected owing to the complex nature of the subjects dealt with and the new approach involved. The proposal already referred to on the labelling of foodstuffs is due to go to the Council during the first quarter of 1976. Proposals for directives on contracts concluded outside business premises should be transmitted to the Council during the second quarter and will be followed during the third quarter by proposals for directives on consumer credit and the standardization of quantitative conditions for the marketing of certain prepackaged goods. This last proposal will be accompanied by another concerning unit pricing of foodstuffs sold by weight or volume. Also during the third quarter, a proposal for a directive on home study courses will be presented to the Council.

The Consumers' Consultative Committee will continue to receive the support of the Commission and during the last quarter of the year the Commission will organize a meeting of all the consumer organizations in the Member States.

3. MEETING OF THE EXECUTIVE COMMITTEE OF THE ETUC, Brussels, 27 February 1976

1. At their meeting on 27th February, the Executive Committee of the ETUC expressed great concern at the very high and increasing level of unemployment in Western Europe, and adopted the following statement:

Recent developments

2. At the Rambouillet Summit (15th to 17th November 1975) the governments of France, Federal Republic of Germany, Italy, Japan, the United Kingdom and the USA declared, among other things, that their most urgent task was to assure economic recovery and to reduce the waste of human resources involved in unemployment. The governments said that they were confident that the policies then being followed were compatible and complementary and that recovery was underway. The need for vigilance and for adaptability of policies was however recognised, and the governments stressed that they would not allow the recovery to falter.
3. At the European Community's Tripartite Economic and Social Conference, which was held in Brussels on 18th November, government representatives similarly expressed their confidence that a recovery was underway and their determination to reduce unemployment.
4. At the European Council in Rome (1st and 2nd December), Community governments again stressed the need for close coordination to be maintained between the economic policies of member countries in order to consolidate the economic recovery and to improve the present level of employment.
5. However, throughout this period and to date unemployment has continued to rise at alarming rates in many European countries

In the four largest European economies, for instance, unemployment rose as follows :

- . In France from 5.6 % in September to 6.1 % in November.
- . In Germany from 4.6 % in October to 5.3 % in December.
- . In Italy from 5.4 % in August to 6.0 % in October.
- . In Britain from 4.9 % in October to 5.1 % in December (and to 6.1 % in January for the UK as a whole).

In many of the other countries the situation is as serious. There are more than 6 million people unemployed in Western Europe (and this does not include those workers who have dropped out of the labour force or who are working only part time).

6. It is true that output is now beginning to increase in most European countries (after absolute falls last year), but the Commission and the OECD forecast that rates of growth in most European countries in 1976 if current policies are continued will only be approximately 3 % and, given the long-term trends of productivity increase, this means that unemployment will continue to rise in most countries. Such a situation is completely unacceptable and is quite out of line with the frequent declarations of governments that they are committed to reducing unemployment.
7. The undeclared strategy of many governments appears in fact to be to seek a very slow recovery from the present depression on the grounds that this will, in some way, prevent the resurgence of inflation.

ETUC policies

8. The ETUC in its November statement "Secure Employment - Guaranteed Income" strongly challenged the view that the way to control inflation is through unemployment. To adhere to such a policy, explicitly or implicitly, is a confession of failure. Governments have certainly experienced difficulties with traditional methods of "fine tuning" their economies at the macro level. Such policies failed to control the 1972-73 boom or prevent the present slump. But the alternative is not to give up "tuning" altogether. Governments must accept that structural changes in their economies occasioned particularly by the concentration of capital require that in addition to fiscal and monetary policies they also intervene much more actively at the industry and enterprise levels.
9. The dangers of inflation in the present situation do not come from pursuing policies designed to make real and significant progress towards restoring full employment. The OECD in its December "Economic Outlook" said that "it is likely that the OECD countries could, on average, expand for several years at a rate distinctly faster than that suggested by the present forecast without running into generalised capacity limitations". The real risks of inflation in fact now come from a lack of confidence that the present recovery will be sustained and from companies therefore increasing their prices to increase their profits instead of seeking to do this through expanded sales as would be more normal at the present state of the business cycle.

10. In brief and on the basis of the ETUC's November statement governments should :

- a) accept that the restoration of full employment must be the prime aim of economic policy. Progress must be made in reducing unemployment this year, and governments should fix definite dates for when full employment will be restored and frame their economic and industrial policies accordingly.
- b) Selective policies to promote and protect employment must be strengthened - such as limiting overtime, increasing job subsidies, expanding training facilities, facilitating early retirements, and stopping dismissals - but government should recognise that the overall level of demand is insufficient and that selective measures cannot by themselves ensure a return to full employment. The interdependence of the European economies is such that measures to increase the general level of demand and to ensure that the recovery is sustained must be taken on a coordinated basis with those countries in the strongest situations taking the lead. Certainly, working people will judge the European Community and form views about the course of its future development by whether it can act together to restore and safeguard full employment. Measures to increase the general level of demand should not be indiscriminate however. Emphasis should be placed on improving public services though in view of lack of confidence both of people and of businesses, measures to increase consumer demand are also necessary. Governments and employers should recognise that this must involve real and not just nominal wage increases. Governments must be particularly vigilant in preventing unwarranted price increases.
- c) In the longer term, governments must also develop policies to ensure much greater economic stability as set out in detail in the ETJC's November statement.

The Executive Committee resolved

- (I) that a delegation from the ETUC headed by the General Secretary should express the ETUC's great concern about unemployment in the European Community to the President of the Commission, Mr. François Xavier Ortoli, at a meeting arranged for 8 March. In particular, the Commission should be asked to present a report to the next Tripartite Conference setting out what action has been taken at the Community and national levels to implement the recommendations of the November 1975 Tripartite Conference. Observers from EFTA countries should be invited to attend the next Conference.
- (II) that an ETUC delegation headed by its President, Mr. Heinz Oskar Vetter, and including Mr. Matthias Hinterscheid (President of the Luxembourg CGT), should meet representatives of the European Council at their Luxembourg meeting (April 1 -2) to make proposals and to hear a progress report on practical steps being taken by Governments to reduce unemployment.

- (III) that an ETUC delegation should meet the EFTA Council on unemployment.
- (IV) that the ETUC should support the representations being made on unemployment to the OECD Ministerial meeting on Employment (Paris, March 3 - 4) by the Trade Union Advisory Committee to the OECD.
- (V) that a major debate on unemployment should be held at the ETUC's London Congress (April 22 - 24). An ETUC campaign for a 35-hour week should be among the proposals to be debated.

The Executive Committee of the European Trade Union Confederation having heard a report from the Irish Congress of Trade Unions (Ireland) representatives on the situation in Northern Ireland and on the trade union campaign "A better Life for All", resolves to support the aims contained in the six-point "People's Declaration", namely :

1. The right to live free from violence, sectarianism, intimidation and discrimination ;
2. The right to security of employment and well paid work ;
3. the right to associate freely and to advocate political change by peaceful means ;
4. the right to good housing accommodation ;
5. The right to equality of educational opportunity ;
6. the right to adequate social services to protect the well-being and living standards of the aged, the young, the sick, the unemployed and the socially deprived.

We further agree to circularise all affiliated organisations requesting them to give the maximum publicity to the campaign.

The E.T.U.C. Executive Committee will arrange for the matter to be discussed at its Second Statutory Congress in London, 22nd/24th April, 1976.

4. TRADE UNION MEETING ACP/EEC

At the invitation of the Friedrich Ebert Foundation representatives of the trade union organisations of the ACP countries, the European Trade Union Confederation and the International Confederation of Free Trade Unions met in Brussels from 16th to 18th February 1976.

Their discussions were based on an ETUC/ICFTU/WCL working document.

The meeting came to the following conclusions :

1. The participants expressed their interest in and support for the Lomé Convention, which they considered to be an important step towards cooperation between the industrialised and developing countries.

They welcomed the spirit in which negotiations which led to the signing of the Lomé Convention were conducted and the accompanying spirit of goodwill which should be reflected in better cooperation not only between governments, but also between the peoples concerned.

The participants regretted however that no provision has been explicitly made in the Convention which associates representatives of the trade unions with its implementation.

2. The participants demand that as an immediate step measures should be taken to make up for the lack of representation :

- they demand a general consultation of workers' and employers' organisations on the basis of the two possibilities existing in the Convention :

- (1) establishment of an ad hoc committee under the Council, according to Article 74, paragraphs 6 and 9.

- (2) convening of consultative conferences or establishment by the Consultative Assembly of an ad hoc committee, according to Article 80, paragraph 5.

- they demand a close association of trade union organisations in respect of industrial cooperation. In this respect there are three possibilities :

- (1) nomination of permanent observers in the Industrial Cooperation Committee, taking into consideration the fact that this Committee will unfortunately be composed only of governmental representatives.

- (2) creation of a consultative committee composed of employers' and workers' representatives under the Industrial Cooperation Committee.

- (3) creation of a management board to control the Centre, under the guidance of the Committee; it is essential that such a board includes representatives of the trade unions.

- taking into consideration the activities at different levels of the trade unions in the field of training, including activities within their respective countries, they demand to be closely associated with all the initiatives and decisions foreseen by the Convention concerning training, scholarships, etc. To this end they propose the creation of a specialised committee composed of representatives of the trade union organisations, the employers and other organisations which are competent in this area.

3. The demands which have been formulated above should be considered as minimum proposals for the immediate future in view of their urgency and the need to ensure trade union participation as soon as the Lomé Convention comes into force, so that the Convention can be (effectively) implemented considering that a year has already passed since it was signed.

In the longer term, the trade union participants demand that at the start of the next negotiations they are associated and consulted with regard to the precise provisions of the new Convention so that effective trade union participation is ensured.

They demand in particular that the proposal which they have already made in the past, i.e. the creation of an Economic and Social Committee within the framework of the Convention be accepted.

4. The participants of the meeting consider that coordinated trade union action is necessary in order to persuade the governments and institutions of the ACP countries and of the EEC to accept the statement and demands which they have put forward.

5. The meeting held a first discussion of a number of questions which they considered to be the most important for workers in the context of the Lomé Convention.

- the need to seek and effective implementation of the United Nation's proposals for the establishment of a new international economic order.
- the implementation of the STABEX scheme as a first step towards the reform of world trade.
- the social objectives of industrial cooperation, involving in particular the possibility of trade union participation in micro-projects under the Lomé Convention, especially in rural areas.
- the interest of the workers in the activities of multinational companies and the need to achieve international control over these activities.
- the importance for trade union organisations to have the right to directly participate in financial and technical cooperation, in agreement with the governments of the ACP and EEC countries.

6. In view of the need to implement the above proposals and in order to assure a common defence of workers interests in this field, the participants in the meeting consider it necessary for contacts and cooperation to be pursued between the ACP unions, the ETUC, the ICFTU and the WCL.

In this respect, they demand that the governments and institutions of the ACP and EEC make available to them financial and technical assistance which would benefit working people and would ensure good functioning of the cooperation foreseen by the Lomé Convention.

5. DOCUMENT FROM THE EUROPEAN SECRETARIAT
OF THE GENERAL CONFEDERATION OF LABOUR

We consider the Lomé Convention to be an important stage on the journey down the difficult path to a new world economic order.

In the world today, this is a real step forward. It is not and should not be an end in itself. It must be seen within the context of the considerable economic and social deficiency in the annual per capita income in the ACP countries. The figure for the Member States of the Community is 19 times higher than that for the ACP countries. The 9 States of the European Community occupy an important place in the structure of the gross internal product of these countries.

The ACP States and their peoples cannot be held responsible for this situation. They inherited it from the period of colonialism now gone by.

The Convention is in part a reflection of the evolving international situation. It is rooted in the legitimate aspirations of the peoples concerned, particularly those in the ACP countries.

The Member States of the Community and the development policy of the Commission have, to a certain extent, had to take this into account.

Experience will show that we must produce reports that are more in keeping with the essential aspirations of these peoples.

The primary concern of the General Confederation of Labour and its European Secretariat in Brussels is to contribute to progress along the thorny path to a new world economic order based on social and cultural development, freedom, democracy and peace. This is the foundation on which we are building our cooperation with the peoples of the ACP countries, their trade unions and their States. This is the position which we shall defend in our relations with other European trade union organizations, with the Commission of the European Communities and with the Institutions of the Community.

Thoughts on some of the main aspects of the Convention

I. Trade

The Convention envisages opening the Community market to ACP products. Is the notion of products a restricted one? Does it mean only unprocessed agricultural products? Can it be extended to take in processed agricultural and industrial products?

In some circles, doubts have been expressed as to opening the market to the ACP countries. It is feared that this might affect economic activity and employment in some sectors of production in the Member States.

This fear is reflected in a recommendation to the Commission suggesting that measures of protection and support and structural modifications should be examined at once, since they may prove to be essential.

What do we think about these doubts and fears?

It would appear that the people expressing them have an exaggerated tendency to consider only their own interests, to the exclusion of the common interests of the peoples of the world.

Trade is a necessity. For the Nine it is a natural need in view of their dependence on imported agricultural and mineral products. Trade will be fruitful if it is based on economic growth -which is absolutely essential- and the full use of industrial and agricultural potential, and the physical and intellectual resources of all the signatories - a total of more than 500 million human beings.

Fears and doubts can be eliminated insofar as the policy adopted to bring about economic development is geared towards growth and not the crisis-bound stagnation the countries of the common market are currently experiencing.

Trade contributes to social progress and to the raising of living standards, particularly those of the ACP populations. The fears and doubts expressed in certain sections of society should be refuted. Can the Commission help?

II. The stabilization of export earnings

There is a certain amount of innovation here, although it does not fully reflect the ACP countries' own desires, since they wanted a transfer system that would guarantee the real value of their earnings.

Some sections of the Community consider that it is sufficient to avoid the risk of inflation rendering meaningless the guarantees embodied in the Convention and refuse to carry out a thorough examination of the causes of inflation, being content to contest and reject our point of view.

We fully support demands to stabilize the international monetary system. It is not functioning properly and is the cause of constant disruption in the terms of trade and in economic and social relations. It is a source of monetary instability and insecurity and is harmful to international cooperation.

The Jamaica agreement at the beginning of this year (1976) gives rise to the deepest concern about the guarantee system introduced in the Lomé Convention. It is not the principle that is being held up to question, but the unhealthy climate in which it has to be applied.

Does the Commission intend to contribute to real negotiations on stabilizing the world monetary system and is it in a position to do so? Are the Member States ready to play their part or would they prefer to leave things to the United States? Are they anxious to continue with their pro-multinational policy?

III. Industrial cooperation

Some sections of society have made quite clear their intentions as far as industrial cooperation is concerned. They confirm that priority should be given to the development and diversification of agriculture and food crops in particular. We think aid for agricultural development is necessary.

Where we disagree with them is over the question of priority. We support the idea of the development, modernization and diversification of agriculture, the training of managerial staff, technicians and the wage-earners who are vital to this sector of the economy.

We also maintain there is a need for industries to be set up at the same time. They should be based on the natural assets and resources that are being or will be explored and should correspond to the present or future objectives of the ACP countries.

Our opinion differs from that of certain sections of European society who support industrial development that is mainly geared to satisfying the local or regional needs of the ACP countries, but who seem hostile to any industries likely to produce goods for the world market.

This is a thing of the past. People who think this way do not understand the situation and are only concerned with keeping their own private profit-based privileges.

And, much along the same lines, these same people agree that industrial cooperation will develop to the extent that guarantees are obtained on the security of people and the protection of investments.

We think it is reasonable for one or several States to conclude individual agreements with one or several private companies. But we are firmly convinced that any such negotiations should be concluded on a basis of mutual advantage, with a proper respect for national independence and sovereignty.

Success here is held back by the unhealthy conduct of multinationals. They are the source of the principal problems. In view of their attitude -which is opposed to economic cooperation- we do not reject the idea of contributing to an examination, under the auspices of the UN, the ILO or the EEC, of the means of constraining the selfish behaviour of the multinationals. However, we feel that real international economic cooperation will only be valid and genuinely profitable to the peoples concerned if those peoples fight to obtain profound and democratic reforms of economic structures.

IV. Institutional problems

While we consider that certain cooperation structures are useful, we feel that the question of national sovereignty should always be borne in mind, so that the possibility of a supracontinental institution being set up can be avoided.

Our trade union organization has opened a European Secretariat to coordinate its activities in Europe and the Community and to defend the common interests of all workers. It is in this capacity that we express the hope of participating in any of the joint structures which could, according to the terms of the Convention, be set up.

We think that, as regards the social aspects of agreements negotiated between the EEC and the ACP countries, trade union organizations in the countries concerned should be objectively consulted.

6. DECLARATION ON THE PROJECT FOR A SUPRANATIONAL EUROPE,
BY THE EXECUTIVE COMMITTEE OF THE GENERAL CONFEDERATION OF LABOUR (FRANCE),
MONTREUIL, 11 FEBRUARY 1976

At a time when the Government and the CNPF (National employers' confederation) are launching the idea of a supranational Europe, the Executive Committee of the GCL, meeting on 11 February 1976, denounces their efforts to meet the new demands of the monopolies to transfer decision-making powers to a European level, thus weakening national sovereignty and postponing the hour of fundamental change. The GCL notes that the "economic and social miracle" to which the creation of the common market was to give rise, has turned out to be a total failure.

There are more than 6 million unemployed, a high rate of inflation has hit every country, the workers' purchasing power has dropped, living and working conditions are getting worse, the unions and democratic freedom are under attack, discrimination is spreading and intensifying and social policies are being levelled down, whilst the large private groups dominate the European market and accumulate fabulous profits.

The present intra-Community trade situation shows just how fragile the customs union is. The economic and monetary union, conceived with the aim of strengthening the domination of the monopolies, has itself proved impossible. Community forecasts suggest that these trends will not be reversed.

To an ever-increasing extent, economic and social policy in both the industrial and agricultural sectors is being decided outside France and counter to the national interest.

This is the time the Governments of the 9 countries of the Community have chosen to relaunch the idea of a supposed political union based on the election of a European Parliament where, inevitably, given present circumstances, power will be in the hands of the reactionary forces, the multinationals club and, thus, big American business interests.

The Executive Committee of the GCL considers that this supranationality hinders any solution to the major economic, social and human problems which would be in the interests of the workers and the peoples of Europe and meet their needs and aspirations and that it would gravely endanger national independence.

The GCL expresses its belief that, on the contrary, the solution to these problems should be found by establishing and implementing real and immediate national objectives to slow down inflation and put a stop to growing unemployment. If this is to be done, large-scale unified action at European level is both possible and necessary.

The workers' Europe which the GCL has vowed to bring about and tirelessly works for supposes:

- i a reduction in the power of the giant groups now dominating Europe;
- ii the extension of trade unions' rights and prerogatives;
- iii democratic, economic and political reform;
- iv respect for the national sovereignty of each country.

7. STRUCTURAL PROBLEMS IN THE FISHING INDUSTRY
AND IN THE SEA FISHERMEN'S UNIONS

The Sea Fishermen's Unions of the countries of the European Community:

CONSIDER that current difficulties in the fishing industry in the Member States can be overcome by an active long-term Community policy for sea fishing. Such a policy should be based on a programme with the following objectives:

- i a real¹ policy for the production and distribution of fishery products;
- ii a real policy for the marketing and processing of fishery products;
- iii a real social policy;
- iv education and training schemes for Community fishermen.

The Sea Fishermen's Unions of the countries of the European Community:

INTEND shortly presenting the competent authorities with a certain number of guidelines for a common fisheries policy which, in their eyes, are essential if the above objectives are to be achieved. This policy should, in particular, take account of the existence of a Community 200-mile fishing zone.

The Sea Fishermen's Unions of the countries of the European Community:

WOULD VERY MUCH APPRECIATE it if a Delegation could shortly have the opportunity of explaining its views on the structure programme.

¹ Real here means

- the introduction of a Community minimum price for landed fish;
- the entry into force of collective agreements and partial Community contracts with the obligatory inclusion of a minimum guaranteed salary;
- encouraging the setting-up of pension funds;
- regulating fishing methods, quotas and capacities and the size of fishing fleets;
- granting premiums in sectors that need encouragement;
- EIB credit guarantees and interest-free and other credit;
- periodical consultation with both sides of industry in respect of general policy and the implementation of a Community policy.