

TRADE UNION BULLETIN

EDITED BY THE TRADE UNION DIVISION OF THE SPOKESMAN'S GROUP  
AND THE DIRECTORATE-GENERAL FOR INFORMATION

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1. EXTRACTS FROM THE SPEECH BY MR ANTONIO GIOLITTI, MEMBER OF THE COMMISSION OF THE EUROPEAN COMMUNITIES, ON THE "MEZZOGIORNO IN THE EUROPEAN CONTEXT", DELIVERED ON 24 FEBRUARY 1978 IN NAPLES

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Mr GIOLITTI first discussed the advantages for Italy of belonging to the EEC at this time of crisis in entire industrial sectors such as steel, shipbuilding and textiles.

He said: "Every country may be tempted to meet the market difficulties in these sectors by setting up various types of barriers at its own frontiers. But what would be the result? Offensives of protectionism and reprisals. No country can hope to reserve its own internal markets solely for itself and at the same time continue without disturbance to sell its goods on foreign markets at the same level as before. It is difficult to imagine that the Italian industrial structures could stand up to a contest of protectionism. Let us not forget that the protectionist Italy of the past was still predominantly agricultural, with a small industrial sector mainly serving the domestic market - a situation to which it is impossible to return. In any case, such a move would be of no help, least of all to the Mezzogiorno, which would see the northern industries disputing its own markets all the more, northern industries and the possibilities for its own new industrial activities even further reduced. Every effort must therefore be made to regulate in a spirit of cooperation - and using the methods of cooperation - the consequences of the decline of production in the crisis sectors. But there must be genuine cooperation. If production cuts are to be planned as a temporary measure by joint agreement, they must be distributed according to the capacity to contribute: sectors which have very different economic and employment potentialities must not be treated as equal. Let me make myself clear: in planned operations of this type which affect the delicate sector of employment, we cannot put into the same category regions which for decades have furthered their own development by importing labour from elsewhere and regions in which, on the contrary, there has never been enough development to give jobs to all those who want them. This means, in short: hands off the industries of the Mezzogiorno!"

Mr GIOLITTI then described how it was possible to make relations between the Community and the Mezzogiorno closer and more effective. He said: "The purpose of my journey is to establish contacts to improve the methods, timing, choices, in fact the whole effective utilization of Community funds for the support and development of the economy of Southern Italy. But my aim is also to find out the problems in these regions which have a European impact in order to put them on the agenda of the Community's decision-making bodies. In those bodies, and this must be said openly, a fresh impetus and sense of initiative are needed.

If Europe is to break out of the crisis and help to overcome the world crisis, it must strengthen its own economic presence in the world. This will be possible if, and only if, it

strengthens its own unifying structures in such a way as to eliminate the paralysing dichotomy which has appeared within it, between a periphery threatened with economic decline and monetary disarray, and an inward-looking central area which tends to restrain its own potential for action in the outside world in order to avoid contamination by degenerative trends."

He concluded by saying: "However we look at the problems, we come up against the need to resume the interrupted march towards the construction of the Community. When he vigorously revived the objective of economic and monetary union, the President of the Commission, Mr JENKINS, stated very clearly the type of impetus which the Community needs today. In present circumstances, economic and monetary union offers the possibility of re-energizing a process of dynamic - and not merely defensive - cooperation among the partners in the Community and boosting the European presence in the world economy. Under economic and monetary union, it would be possible to find the necessary guarantees for overcoming the paralysing contradiction between the struggle against inflation and stimulus to growth, and at the same time launch within a clear institutional and unitary framework a bolder policy for transferring resources within the Community and so eliminating the unacceptable prospect of a Europe condemned to move at two speeds, one for the weak and one for the strong.

The basic conditions for the revival of the European economy are there, but they are paralysed by fears which are not easily dissipated: the fear of galloping inflation, the fear of the economy rampaging out of control. And it is of course the stronger countries which feed these fears, those which have succeeded in stopping the slide, but on which the possibilities of setting the economy in motion again mainly depend. These fears must be allowed for, by adopting reasonable economic policy measures. But what would not be reasonable is a timorous retreat by Europe and the European governments into immobility and a policy of "wait and see". To turn an old saying on its head, we could say that when prodigious events occur, reason hides its head".

## 2. EUROPE - MONEY AND IDEALS

Summary of a speech given by Mr Christopher TUGENDHAT, Member of the European Communities, at the Gesellschaft für Auslandskunde in Munich (Saal des Schweizer Hauses) Leopoldstrasse) on 9 March 1978. His subject was the European Community and issues of special relevance to Germany. This was his maiden speech in Germany.

Mr. TUGENDHAT'S address has five main themes:

- Germany's achievements over the last thirty years and the importance of Germany's role in the European Community;
- The state of the Community today;
- German concern over the Community budget;

- the common agricultural policy and its cost and consequences for Germany;
- The Community's responsibility as an island of democracy in the world.

The summary concentrates on the sections of Mr TUGENDHAT'S speech dealing specifically with Germany.

#### 1. Germany's achievements and her importance to the Community

Germany today is one of the constitutional showpieces of the Free World. Germany has succeeded in combining this political achievement with astounding economic success, a "miracle" when one remembers that it was accomplished under the unbelievably difficult conditions of thirty years ago. Only the character and the determination of the German people and their leading statesmen made these triumphs possible. "The effort and the skill which the citizens of your country have brought to the task of building a nation anew has brought them great rewards - the blessings of internal stability, the enjoyment of extensive civil liberties, a very large measure of material prosperity, and a place of honour and considerable influence among the nations of the world." The benefits flowing from Germany's political "miracle" reach out beyond her frontiers: "The prodigious feat of constructing liberal institutions in [...] difficult conditions [...], and then maintaining those institutions despite all the problems that inevitably arise from Germany's geographical location on the extreme perimeter of the Free World, has given invaluable encouragement to democrats on both sides of the Iron Curtain".

But this inspiring example is not the only reason for the gratitude many of us feel towards Germany. Another is the way in which Germany has made use of her refound strength. She played a crucial part in the foundation of the Community and has subsequently supported it in a very impressive manner, often in very trying circumstances. One token of this was her consistent support often against strenuous opposition for Britain's accession.

#### 2. Germany and the Community's budget

Germans tend to complain that the Community's budget is grossly distended and that Germany receives very little in return for being the Community's paymaster. Are these complaints justified ?

The Community's budget is very small - only about 2.5% of national budgets. In fact it is about the same size as Bavaria's budget. Almost three quarters of it goes on the common agricultural policy. Such a budget, which accurately and appropriately reflects the Community's immaturity, leaves very little scope for new policies and programmes. And new policies and programmes are sorely needed if we are to further the process of European integration.

This objective by no means implies an increase in total public expenditure. What it does imply is the transfer of responsibility for tasks - and hence expenditure - which can be performed more effectively and economically at Community level than by the Member States acting separately. Indeed, far from increasing total expenditure, such a transfer may actually reduce it. It is obvious from this that the Community budget must grow more rapidly than national budgets if the Community is to develop policies and programmes outside the agricultural field.

As to being the Community's paymaster, Germany is not only the richest but also - even in terms of population - the biggest Member State. This means that her contribution to the Community's budget is automatically larger than that of partners. At all events each Member State contributes according to its economic strength. In per capita terms, Germany actually gets away more lightly than some other Member States. In 1977 Germany's contribution to the European budget cost Germans DM 149 a head. But the Belgians paid DM 192 and the Dutch DM 205.

It is regrettable that the budget is too often discussed in terms of financial return. The Community is not the kind of undertaking that can be discussed in terms of a profit and loss account. In pooling their strengths for the common purpose of building a new and better Europe, the nine Member States are engaged upon an historic venture with a much higher objective than can be measured in the narrowly-defined terms of national balance sheets. Moreover, many economic benefits flow from the Community which do not pass through the budget. An industrial state like Germany, which is highly dependent on exports, has everything to gain from the fact that it now has uninterrupted access to the markets of its main customers.

### 3. The common agricultural policy and its cost and consequences for Germany

The common agricultural policy is a corner-stone of the Community. It is absolutely essential if our citizens are to have guaranteed supplies of farm products at stable prices. Agricultural policy is unique in that it has been transferred almost entirely from national to Community competence. It is no accident that agriculture dominates the Community's budget. But the aim now should be to extend Community spending in other appropriate areas. When this happens the proportion spent on agriculture will automatically fall.

The remorseless rise in agricultural expenditure is alarming. It is partly attributable to enormous market surpluses and the monetary compensatory amounts deriving from the green currency system. We must call a halt. The 1978 estimate for butter storage alone exceeds total appropriations for payment under the Regional Fund.

German commentators often criticize agricultural expenditure.

But they tend to forget that Germany herself is largely responsible for this and that Germany's farmers are among the major beneficiaries. A large proportion of the biggest - and hence most costly - surpluses, that is to say milk, milk products and beef and veal, stems from German production. Something like 73% of the Community's butter stocks and 6% of its skimmed milk powder stocks are now held in Germany. Since July 1973 22% of total intervention purchases of beef took place in Germany and Germany now holds 37% of total remaining stocks.

The main reason for this is that the play of the green currency system has guaranteed German farmers more favourable price levels than farmers elsewhere in the Community.

The German Government has persistently refused to accept any revaluation of the green Mark which was not accompanied by a corresponding increase in common prices.

The German farmer also enjoys a relatively favourable position as regards imports of fertilizers and machinery, since these are bought in real money rather than "green money".

It is by no means certain that this favourable position of German farmers is of real economic benefit to the German economy. German economists are now arguing that for Germany, as a net agricultural importer with a comparative advantage in industrial production, artificial benefits to agriculture involve serious misallocation of resources.

### 3. ENERGY SITUATION IN THE COMMUNITY AND IN THE WORLD (1)

The Commission has accepted Commissioner Guido BRUNNER'S priorities for the future energy policies needed by the Community to take account of probable developments in energy markets. These priorities will be presented to the next meeting of the Council due on March 21 and are designed to provide the basis for debate.

The Community shared in the continuing world economic recession in 1977, and as a result of low economic growth, energy consumption in the Community increased very little. But this slackness in the market accentuated the problems in the refining and coal sectors.

Energy supplies themselves were not a constraint on economic growth in 1977 - indeed their immediate abundance has tended to divert attention from the longer term problem - although the foreign exchange cost of imported oil ( \$ 49 billion in 1977) has imposed a heavy burden on the Community balance of payments. This will continue in spite of the increasing contribution of North Sea oil and the currently declining real cost of crude.

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(1) COM(78)101.

## Policy conclusions

The apparent abundance of oil and the restraint of the OPEC countries should not lull the Community into a false sense of security about its energy situation, however reassuring some of the indicators and forecasts for 1977 and 1978 may be.

The prospect remains of intense pressure on oil supplies and hence prices in the next decade; and the Community must aim to be in a position to fill this gap with energy conservation, indigenous production from conventional and new sources, and alternative external supplies. This change in the Community energy pattern will take time to achieve; and the 1978 forecasts show that the apparently satisfactory trends of 1977 may not continue if appropriate measures are not taken quickly.

The Community's immediate practical priorities should be:

- (i) to implement at Community and national level strong energy conservation measures, e.g. financial support where appropriate, and the establishment of rational pricing policies. While a price freeze for crude oil greatly eases the immediate burden on the world economic and monetary system, a declining real price for crude conveys the wrong signals to consumers and may lead to more drastic increases later on;
- (ii) to support, e.g. through R & D and demonstration projects, the development of new energy sources;
- (iii) to take urgent action to support the Community coal industry and to encourage coal-burn. The extra coal-burn recorded in 1976 and 1977 may be a temporary movement, since investment in coal-fired power stations and coal handling infrastructure is inadequate, and most Community coal is still uncompetitive with imports or alternative fuels;
- (iv) to take measures to help solve the problems of the Community refining industry;
- (v) to intensify, with Community financial support where appropriate, the exploration effort in the Community for oil, gas and uranium;
- (vi) to ensure that the role of gas can be maintained and increased, by entering into new contracts for imported gas and by building up the necessary infrastructure; and also to reduce the use of gas in power stations;
- (vii) to take appropriate action (including making available to the public objective information on nuclear issues) to facilitate the steady development of nuclear generating capacity.

## OTHER FACTORS

In addition to these practical measures the Community will need to watch carefully, and to exercise its influence where appropriate, those international developments which have a bearing on the Community's immediate or long-term energy

situation.

- (i) divergent attitudes on price and production have put a strain on OPEC but have not broken its essential solidarity. The recent decline of the US dollar has renewed the debate in OPEC on the calculation and denomination of crude oil prices. Meanwhile, the developing political situation in the Middle East will be of continuing relevance;
- (ii) the emergence of effective US energy legislation will be of the greatest importance, in view of the impact on world oil markets of the USA's requirements for oil imports. The World Economic Summit in July 1978 will be the occasion for reviewing progress in the energy policy field by the Community and by the rest of the industrial world;
- (iii) international negotiations on nuclear matters, such as fuel cycle questions in INFCEP, nuclear safeguards between Euratom and the IAEA, and uranium supplies with Canada and Australia, will have to be pursued constructively to increase the security and public acceptability of nuclear operations;
- (iv) energy will continue to be a feature of discussions with the developing countries within the UN and in other ways. It remains in the Community's interest to help the developing countries with their energy and related industrial problems.

#### ENERGY SITUATION: 1978 OUTLOOK

The sluggish demand for energy which it is estimated increased within the Community by only 1.1 per cent in 1977 was mainly a result of low economic growth - with GDP rising by about 2.0 per cent - and to some extent a reflection of a continuing energy conservation effort. The comparison between the estimates for 1977 and those for the previous year (1976: energy + 6%; GDP + 4.8%) seems to indicate a more marked reaction of energy demand to the slowing-down or the growth in economic activity.

In 1977 oil demand dropped by 2.0 per cent and the consumption of coal declined by about 3.0 per cent. On the other hand, natural gas consumption rose by 6.0 per cent and electricity demand increased by 3.4 per cent.

The economic outlook for 1978 is of growth in GDP of around 3.0 per cent - still below the 4½-5 per cent annual target for the Community in the medium term. Energy demand is likely to grow by about 3.0 per cent, with the demand for oil rising by 2 per cent and natural gas by 9.9 per cent (reflecting increased availability). The demand for electricity is expected to rise by about 3.9 per cent. However the demand for coal is expected to increase only marginally owing to the difficult market situation.



Some 3,300 MWe of nuclear capacity were added to the Community network in 1977, the total nuclear capacity of the Community thus reaching 22,400 MWe. In 1978 the total nuclear park is expected to exceed 27,000 MWe. The nuclear contribution to total electricity production which reached 10 per cent in 1977, could rise to about 12 per cent of total electricity production in 1978. [See annex].

#### 4. EUROPEAN COMMISSION'S PROPOSAL WOULD END CERTAIN ABUSES AND FRAUDS IN CONNECTION WITH STORES FOR VESSELS, AIRCRAFT AND INTERNATIONAL TRAINS (1)

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Community countries' airlines must be able to offer their passengers meals on the same terms as their foreign competitors. To this end the Commission intends to set up common rules for the provisioning of vessels, aircraft and international trains, which is generally on a duty-free basis.

At the same time, the Commission wishes to rectify abuses and frauds detrimental to the Community budget by restricting the number of products generally exempted from duty. For example, the Commission said in a proposal for a Regulation put to the Member States, some of them must be prevented from being too permissive, an attitude which, it said, gave rise to abuses and, ultimately, amounted to helping the smuggler.

The Commission proposed that exemption from duty extend only to vessels engaged in international sea transport, coastal fishing, and life-saving and assistance at sea. Pleasure vessels would not qualify.

The system would also apply to vessels engaged in international river transport (international status would be enjoyed by the Rhine and its tributaries; the Scheldt as far as Antwerp and the Terneuzen canal as far as Ghent; and the Moselle from Metz to where it flows into the Rhine).

As regards aircraft, the Commission proposed that duty-free status be granted only to products intended to be consumed on those making international flights. Private aeroplanes would not qualify.

As for trains, the Commission proposed a system, such as already exists under national legislation, for the provisioning of international trains, dining-cars, sleeping-cars and the like on international expresses.

The products which would be duty-free under the Regulation proposed by the Commission are catering supplies, fuels, lubricants and other oils for technical use and sundry stores.

"Catering supplies" means products intended solely for consumption on board by crew members and passengers;

" Fuels, lubricants and other oils for technical use" means

products intended for feeding the propulsion units and operating machinery and plant on board;

"Sundry stores" means consumable products intended for household use and consumable products used for the preservation, treatment or preparation on board of the goods carried.

[1] COM(78)76

5. THE COMMISSION APPROVES THE EXTENSION OF THE TEMPORARY EMPLOYMENT SUBSIDY SCHEME (TES) IN THE UNITED KINGDOM

The Commission, acting on a proposal from Mr VOUEL, recently approved a one-year extension, in an amended form, of the temporary employment subsidy scheme (TES); the scheme was already in force in the United Kingdom and was to expire on 31 March 1978.

The amendments in question go a long way to meet the Commission's objections to the scheme as it was previously applied.

The Commission's decision is a satisfactory conclusion to intensive negotiations, which proceeded as follows:

In its letter of 31 January 1978, the United Kingdom Government, in accordance with Article 93(3) of the EEC Treaty, informed the Commission of its intention to extend the TES scheme. In a letter dated 22 December 1977, the Commission informed the Government:

- of its concern regarding this subsidy, particularly in view of its concentration on three sensitive sectors - textiles, clothing and the footwear industry - which are facing difficulties throughout the Community;
- of the danger, inherent in this subsidy, that certain industrial and social problems might be transferred from the United Kingdom to other Member States;
- of the fact that the TES constituted a protective measure and an aid to production.

The Commission proposed that the United Kingdom should apply measures designed to eliminate these negative aspects and drew attention to the complaints it had received and the risk of retaliatory measures.

Following notification by the United Kingdom on 31 January 1978, discussions were held between the Commission and the Government, and the UK proposal was discussed by all the Member States at a multilateral meeting on 1 March 1978.

Following these discussions the United Kingdom Government submitted amended proposals to the Commission in its letter of 2 March 1978.

On this basis, the Commission decided that:

- the total budget for the TES would be reduced from £ 222 million in 1977/78 to £ 135 million in 1978/79. From this total, the volume of appropriations for new applications from the textile, clothing and footwear industries would be reduced from £ 106 million to £ 55 million;

- the protective nature of the measure would be palliated by the fact that undertakings receiving this subsidy for more than six months would have to submit restructuring plans, while aid to new applicants would only be granted for a maximum period of twelve months and payments in the key sectors would be made degressive;

- detailed quarterly reports would be supplied to the Commission, covering any unacceptable concentrations of aid and the supervision of the scheme's operation; these reports might be called for monthly. Particularly important cases would be notified in advance at the initial stage when restructuring plans are submitted.

The Commission has reserved the right to propose other appropriate measures in the light of the way in which the aid scheme functions. Our readers are reminded (\*) that this problem was studied by the executive committee of the European Trade Union Confederation on 9 and 10 February 1978 in Brussels. The ETUC decided to support the TUC in its attitude towards these subsidies.

(\*) See bulletin 1/78 - "Trade union bulletin" - page 15.

## 6. CONSUMERS CONSULTATIVE COMMITTEE

The Member of the Commission with special responsibility for consumer protection, Mr Richard BURKE, attended the Consumers Consultative Committee's meeting on 24 February, when he reviewed the many measures taken by the Community to promote consumers' interests.

Measures are planned this year in the following areas:

- (a) the safety of toys;
- (b) accidents in the home;
- (c) unfair clauses in contracts;
- (d) premium offers;
- (e) informative labelling of textiles;
- (f) unit pricing of non-food products.

On agricultural matters Mr BURKE pointed out that the Commission's proposals, particularly as regards prices, would endeavour to strike a fairer balance between producers' and consumers' interests.

After discussing other topics of interest to the Committee, Mr. BURKE congratulated the Committee on the quality of its work.

Mr BURKE's visit gave the Committee an opportunity to compare its proposed work programme for 1978 with the Commission's policy.

The Committee called for an expansion in Community staff involved in consumer protection and for the Commission's work and its own to be dovetailed

At the same meeting the Committee re-elected Mr DARY as Chairman and Mr DUMONT, Mr MEIS and Mr SPALLONE as Vice-Chairmen for 1978.

## 7. AVERAGE WORKING WEEK IN THE MEMBER STATES OF THE COMMUNITY

The average working week varies from one country to another and from one sector of industry to another.

The Community statistics also show changes in the average number of hours worked following changes in the economic situation of an undertaking or resulting from collective agreements.

In reply to a written question asked by a Member of the European Parliament, Mr VERHAEGEN (809/77), the Commission pointed out that detailed information on the matter was published twice a year in the "Eurostat" bulletin - "Hourly earnings - hours of work".

By way of example it provided the table below on the average working week for manual workers (situation in October 1976).

	Mining and quarrying	Manufacturing industry	Building and civil engineering	Overall
F.R.G.	42,5	42,2	42,9	42,3
FRANCE	40,8	41,6	44,4	42,2
ITALY	41,5	41,5	40,6	41,5
NETHERLANDS	-	41,3	41,0	41,2
BELGIUM	40,5	38,2	39,4	38,5
LUXEMBOURG	-	40,6	41,5	40,3
UNITED KINGDOM	46,1	41,7	44,0	42,9

## 8. ENTITLEMENT OF WORKERS AND THEIR REPRESENTATIVES TO INFORMATION IN FACTORIES AND UNDERTAKINGS

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At its meeting on 9 and 10 February, the executive committee of the ETUC adopted a document on workers' entitlement to information.

This document was based on the resolution on the democratization of the economy adopted by the ETUC Congress in London.

In political and economic life, the collection and processing of information is a major element in the preparation of plans and activities. A person who is less well informed than his fellows is at a disadvantage and will have difficulty in meeting his obligations to society to the full. Information is, therefore, an essential pre-requisite for anyone taking on the responsibilities resulting from social activities.

In industrial society, with its complex relations between groups of economic and social interests, efficient information systems accessible to all are a necessity. Such information may be regarded as an instrument in achieving equalities of opportunity through the democratic system.

In factories and undertakings in the public and private sectors, workers and their representatives, including the trade unions, have an urgent need for information about their company's policy and the decisions it takes in particular. Contrary to the situation in the political sphere, the process of democratization, measured solely in terms of accessibility of information, is still far from adequately developed. Of course, there are systems of worker representation in factories and undertakings throughout western Europe, provided for by law or collective agreements under which management is obliged to provide information for the workers' representatives. However, in many undertakings this task of providing information for workers and their representatives is fulfilled very inadequately - even, unfortunately, when this obligation is clearly stipulated. One of the essential conditions for any form of worker participation in the running of an undertaking is, however, that a general entitlement of workers and their representatives to information be recognized and that undertakings be ready to fulfil their obligation to provide this information.

In the life of an undertaking, readiness to take on responsibilities, even on the part of workers, is of no small importance. When a particular worker is asked to accept certain responsibilities in connection with his job, on behalf of the undertaking and the community, or when works councils or trade union representatives are expected to assume similar responsibilities in exercising their rights, all this must be based on information. How, in a specific case, can workers' or trade union representatives in an undertaking be aware of their responsibilities as regards defending the workers' interests, if they are not fully informed about what is

happening in the undertaking and the policy it is pursuing ? There is undoubtedly a direct link between the right of workers and their representatives to influence the decision-making process in undertakings and the obligation for management to provide the necessary information to the full and in good time.

In April 1976 the London Congress of the European Trade Union Confederation decided to support all efforts by member organizations to obtain better - or additional - rights for workers in their respective countries as regards representation and participation on the basis of existing laws and collective agreements, to guarantee all workers a greater influence in the organization of each job, working conditions in undertakings and their decision-making processes, and to give particular attention, in this endeavour, to the obligation on undertakings to provide information, which has so far been inadequately fulfilled in many respects, and more especially to the need to improve the quality and quantity of information. The basic principle that the concept of "workers' representative" embodies representatives elected by all workers or by unionized workers only at factory or undertaking level, besides trade union representatives should be stressed.

Below is a summary of the main topics discussed at the Congress, and the principles and demands of the European Trade Union Confederation:

1. An in-depth exchange of experience took place between the organizations affiliated to the ETUC, from which it emerged that entitlement to information on the part of workers' representative bodies, institutionalized by law or collective agreement, or their trade unions, is still inadequate in factories or undertakings, and that the obligation on management to provide information is often treated arbitrarily and with indifference. This is far from satisfactory and is in flagrant disaccord with a situation in which workers are called upon to assume responsibilities vis à vis the economy.
2. For this reason, workers' organizations in all countries should do everything within their power to remind employers daily of their obligation to provide information as stipulated by law or agreement. In addition, legislation dealing with the entitlement of workers to information in factories and undertakings should include provisions making it possible to compel undertakings to provide certain items of information (see also Point 11) more effectively than in the past.
3. The information systems in use in the factories and undertakings of the Member States of the ETUC and EFTA have different structures. It might, therefore, be very useful to bring about a gradual harmonization of the terms of the obligation on management in these countries to provide information; the EEC could be the first to take steps to this end. Information is a pre-requisite for any type of

worker participation in the decision-making process of undertakings.

4. To be of value, information must be provided in time, complete and protected from falsification. Its quality largely depends on the person who provides it. In undertakings, information should be provided for workers' representatives by the persons who are competent in - or responsible for - the management or running of the undertaking. It should be taken for granted that these persons will provide explanations to workers' representatives concerning certain items of information in the context of the existing rights on information and consultation.
5. Consultation - which includes the right to adopt a position orally or in writing - is an integral part of information. The right of workers and their representatives to be consulted concerning important company decisions - including those taken by multi-national groups - at all stages should be improved and extended at every level. It should not be possible to take major company decisions which have repercussions on employment, working conditions and workers' social benefits without extensive consultation of workers' representatives and the conclusion of negotiations with them. Legislation along these lines would substantially reinforce the obligation to hold substantive consultations.

Important company decisions, the need for which should be explained to workers in a written report circulated to them, should cover, for example: merger operations, closures of undertakings, factories or sections of factories, production conversions, etc. Information concerning such decisions should also be supplied in full to the trade unions represented in the undertaking.

6. In many countries, provisions concerning the conditions on which the management of an undertaking is entitled to refuse information to workers' representatives or trade unions on grounds of business secrets - or supply it only under the seal of secrecy - are inadequate and unfavourable. There is no limit to the arbitrary way in which existing provisions on this subject may be interpreted; there is a pressing need to study provisions on business secrecy and other secrecy rules and define them clearly so that in future excessively restrictive practices may be abolished.

There can be no obligation of secrecy between workers' representatives carrying out their duties in one and the same undertaking, nor between workers' representatives and any outside advisers whom the representatives choose or appoint.

7. All undertakings should be obliged to give all workers - or at least workers' or trade union representatives in the undertaking - detailed information and explanations, in writing or orally, on the annual company accounts, whether

for publication or otherwise. This information should enable workers and their representatives to form a clear idea of the company's commercial policy and its results, and of its plans and future prospects. Workers should be entitled to call in outside experts for these information and consultation procedures.

8. Since regulations concerning the obligation for undertakings to inform workers are always based on the conditions existing in each country, there are considerable shortcomings with regard to workers of national groups. It is not only this lack of information on the group as a whole and its commercial policy which is detrimental to workers and their trade unions; even workers' representatives from different undertakings belonging to the same group have no legal right to maintain relations with each other in order to exchange experiences and jointly obtain information of interest to all of them from the management of the group. In its resolution of February 1975, the European Trade Union Confederation demanded that measures should be taken to lead to the setting up of an information and consultation body in the principal branches of groups of undertakings. Nearly three years have passed since then and nothing has been done, although there can be no doubt about the need for a solution. The Commission of the European Communities should no longer hesitate to take the initiative, especially since it specifically referred to this problem in its communication to the Council in November 1973. In the face of the large unchecked economic power of the multinational groups, the need for some form of joint representation for all workers in the group at the level of the parent company is becoming more and more pressing: this trade union demand is valid for all countries of Western Europe.
9. For several years, there have been discussions in some countries on the need, particularly in the larger undertakings, for an annual social report, separate from the company's annual report and accounts. This report should embody all relevant information relating to the factor labour in the undertaking; it would be drawn up on the basis of discussions between management and workers' representatives. A list of "social indicators" describing workers' spheres of interest should be established by agreement between the undertaking - or employer's organization - and the trade unions represented in the undertaking, rather than by legislation.
10. The obligation for undertakings to provide workers' representatives with regular information should basically cover the following points (not necessarily in this order):
  - production and marketing outlets in each sector of activity;
  - market developments and the order book;
  - trends in production costs and productivity by sector and by country;



- investments made and planned by each country;
- the economic and financial situation; the financial structure;
- production and working methods; introduction of new methods;
- the development of research projects, and their cost; the use of patents and licences; licences granted to other undertakings;
- the employment situation and outlook;
- working conditions and pay;
- changes in the organization of the undertaking and its objectives;
- cut-backs or increases in the undertaking's activities; shut-downs; contraction or transfer of the undertaking or parts thereof;
- merger procedures and their effects on jobs and on the social benefits to which workers are entitled;
- the introduction or abolition of provident schemes for workers;
- all measures likely to affect workers' interests or influence employment and working conditions.

The obligation for undertakings to provide information covers both oral and written information. Written documents will be necessary above all when matters requiring consultation and discussion are involved.

In addition to the right of workers' representatives to receive regular information, all workers in an undertaking should be entitled to attend works meetings organized regularly by workers' representatives and held during working hours. Employers should be compelled to provide, for these meetings, at the request of workers' representatives, any information affecting the workers, especially where it concerns business trends and the results obtained, employment and working conditions, and work organization. At least once a year, the employer should explain the company's annual balance sheet to all workers in the undertaking.

11. Legislation and collective agreements on the obligation for undertakings to provide information should stipulate that obligation as clearly and in as much detail as possible. Any infringement or negligence on the part of management should, on a complaint by workers or trade union representatives, be punishable by law.

For this purpose, legislation should include provisions for a summary procedure against infringements or any failure to comply with the obligation to provide information. These provisions should, moreover, permit rapid decisions to be taken if the management of an undertaking refuses to

provide specific information.

12. The European Trade Union Confederation considers workers' entitlement to information in factories and undertakings as a basic right in an economic democracy, and an important pre-requisite for the representation of workers' interest in the undertaking in a pluralist system.

These entitlements should be extended and improved in all countries. The ETUC urges all EEC and EFTA Governments and their institutions to work to this end together with the OECD and the ILO, which may also make a contribution towards improving and developing further the entitlement of workers and their representatives to information in factories and undertakings.

## 9. RECENT PUBLICATIONS

### An address book for consumers

Consumers may obtain support from many different organizations: consumer groups, cooperatives, the ombudsman, family organizations, trade unions, ministerial committees, etc. A brochure has just appeared containing their names, addresses and "identity cards" for each country of the Community; published by the European Commission under the title "The consumer organizations and the public authorities 1977", catalogue n°. CG-22-76-140, it is on sale at the official publications office of the European Community - Post Office Box 1003, Luxembourg.

### Customs Union

The Spokesman's Group and the Directorate-General for Information has just published issue n° 1977/5 in the "European Documentation" series, summarizing the progress of the customs union.

### Twenty-five years of the Common Market in Coal [1953-1978]

This document is available from the Publications Office of the European Communities, Luxembourg (Box n°. 1003). The Commission sets out the history of the first common market - in coal and steel - and describes the magnitude of the problems which had to be overcome to set it up, without concealing the shortcomings in the solutions adopted.

## 10. ROUND-UP OF TRADE UNION NEWS

### A. The CGIL ends its affiliation with the World Federation of Trade Unions

The General Council of the CGIL, which met at Ariccia on 14 March 1978, decided to end its affiliation with the World

Federation of Trade Unions. The international body will hold its next meeting in Prague next April, but the CGIL will send only a few observers.

B. Token "solidarity" strike by the "Solvay" unions on 30 March 1978

The trade union coordination office of the "Solvay" unions represented by France, Italy, Portugal, Holland and Belgium met in Utrecht on 7 March with Mr H. VERSCHOREN in the chair and decided to organize a token "solidarity" strike on 30 March 1978. The trade unions of Austria, Spain and Great Britain were not represented.

This one-day strike concerns all workers in "Solvay" undertakings in Europe.

It will take the form of a minimum of one hour's suspension of work, during which a motion embodying certain demands will be submitted to the workers and forwarded to the managements of these establishments.

The bureau also decided to call an international Solvay trade union conference in Brussels on 23 and 24 June 1978 to examine the economic and social situation and current demands throughout the company and take the necessary decisions.

C. The programme ["Options fondamentales"] of the Mouvement Ouvrier Chrétien [MOC - Belgium]

The bureau of the MOC presented the programme to the press on 15 March 1978.

It amounts to a long-term project to bring about a new society, which commits all the constituent organizations of the MOC -ACW and invites all workers to unite and collaborate in the broadest and most effective way possible. The programme forms a part of the search for a just and united society of equal and responsible citizens, in which "natural resources and economic assets are for the use of all; in which economic activity must be geared towards serving society as a whole; in which the major production units and credit institutions must be subordinate to the Community, and thus socialized".

In such a society," workers must be the motive force behind economic activities, in which they have pride of place: worker's control must be achieved by stages"

Lastly, tireless efforts must be made to build democracy, that is to say, to organize the power of the people, by the people and for the people.

The MOC-ACW wishes to make radical changes in society as it exists in Belgium and throughout the world.

Its activities are carried out against the background of the

conflicts and contradictions of our modern society, and particularly, the class and group struggles; it does not, however, subscribe to Marxian historical or philosophical theories or regard Marxism as good in itself.

D. The Police Trade Union joins the DGB (German trade union confederation)

The Police Union [Gewerkschaft der Polizei - GDP] is the 17th trade union to join the German Confederation of Trade Unions [DGB].

This affiliation was decided by the National Executive Committee - with the agreement of the public transport union [ÖTV] - acting on a proposal from the Bureau of the Confederation, on 8 March 1978.

According a communiqué from the DGB, this affiliation confirms its opinion that only the United Trade Union Movement is in a position to defend the interests of the workers.

With this affiliation, the trade unions of the DGB now represent 7,600,000 members.

**Table 1**  
**Inland Consumption of Primary Energy in the Community**

	1975		1976		1977 (estim.)		1978 (forecast)	
	Mio toe	%	Mio toe	%	Mio toe	%	Mio toe	%
Hard coal	167.1	19.3	178.4	19.5	174.2	18.8	177.1	18.6
Lignite	26.7	3.1	29.2	3.2	26.9	2.9	25.6	2.7
Oil	476.4	55.1	506.9	55.3	497.0	53.7	507.5	53.2
Natural Gas	142.2	16.4	153.1	16.7	162.3	17.5	178.4	18.7
Nuclear energy	19.5	2.3	21.9	2.4	26.1	2.8	33.0	3.5
Hydro, geothermal ( & others)	32.6	3.8	26.6	2.9	39.8	4.3	31.9	3.3
<b>Total</b>	<b>864.5</b>	<b>100.0</b>	<b>916.1</b>	<b>100.0</b>	<b>926.3</b>	<b>100.0</b>	<b>953.5</b>	<b>100.0</b>

**Table 2**  
**Energy supply in the Community (Mio toe)**

	1975		1976		1977		1978	
	Prod.	Net imports*	Prod.	Net imports*	Prod.	Net imports*	Prod.	Net imports*
Solid fuels	191.9	26.4	186.6	28.3	178.2	26.5	176.9	25.0
Oil	12.0	484.1	21.3	518.6	47.4	484.9	85.0	455.0
Natural gas	134.3	9.0	142.1	12.6	144.2	16.9	146.6	32.5
Primary electricity etc.	48.6	3.6	47.4	1.1	61.9	4.0	63.4	1.5
<b>Total</b>	<b>386.8</b>	<b>523.1</b>	<b>397.4</b>	<b>560.6</b>	<b>431.7</b>	<b>532.3</b>	<b>471.9</b>	<b>514.0</b>

\* Imports minus exports

Sources: 1975, 1976 and partly 1977: SOEC; other 1977 and 1978: D.G.XVII (CEE)

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