

TRADE UNION BULLETIN

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

CONTENTS

=====

1. Social aspects of the Commission's iron and steel policy.
2. Eleventh Federal Congress of the Deutscher Gewerkschaftsbund (German Trade Union Federation) in Hamburg.
3. Bert Thierron elected General Secretary of the European Metalworkers' Federation - Meeting of the Executive Committee of the EMF in Rome on 4 and 5 July.
4. Meeting of the Executive Committee of the ETUC in Vienna on 22 and 23 June.
5. ETUC statement to the European Council meeting in Bremen on 6 and 7 July.
6. Third working conference of the Saar-Lorraine-Luxembourg Interregional Trade Union Council in Saarbrücken on 9 and 10 June.
7. Annual congress of the Christelijk Nationaal Vakverbond - CNV (Netherlands Protestant Trade Union Federation)

1) SOCIAL ASPECTS OF THE COMMISSION'S IRON AND STEEL POLICY

On a proposal by Vice-President Vredeling, the Commission has sent a working paper ⁽¹⁾ on the social aspects of the iron and steel policy to the ECSC Consultative Committee.

This paper examines the repercussions on future employment of restructuring in the iron and steel industry. It reviews the means of intervention available to the Commission under the ECSC Treaty (see Annex 1) and considers the possibilities of adapting existing aid and loan facilities and introducing new facilities to deal with the social consequences of the crisis in the iron and steel industry.

The employment situation in the industry has deteriorated since 1975. The work force (workers and employees) declined from 760 000 in December 1975 to 720 000 in December 1977 (see Annex 2). In the majority of cases, this was brought about partly by natural wastage and a freeze on recruitment and partly by redundancies combined with early retirement measures.

The pace of dismissals has accelerated since September 1977. In addition to the consequences within the sector itself, the possibilities for re-employment are affected both by the general level of unemployment and by the repercussions on economic activity in the regions concerned of work force reductions and closures in the iron and steel industry.

The decline in the industry's work force will continue in the years to come. The Commission estimates the reduction in the work force from 1977 to 1980 at between 100 000 and 140 000, representing a reduction from 751 000 in 1973 to 624 000 or 580 000 in 1980, on the assumption of either a 3% or a 4% growth in productivity and a reduction of one hour per day in hours worked on the basis of a 220-day working year.

The working paper stresses that this approximate and provisional estimate will have to be reconsidered and revised as more precise information is received. The results might turn out quite differently depending on the general economic situation, productivity trends, reduction in hours worked, or the effect of work-sharing measures likely to be introduced between now and 1980.

The Commission suggests three broad lines for Community action to meet the social consequences of the steel crisis:

(1) SEC (78) 2636

- In view of the present diversity of readaptation aids and the manner in which they are applied, a Community approach to national social measures should be developed with a view to arriving at a coherent, common treatment of the instruments available.
- The rate of Community aid should be reconsidered to ensure that the allowance received by steel workers in the less-favoured countries does not fall below a given minimum.
- The following measures potentially eligible for ECSC financial assistance should be examined with a view to promoting a better distribution of the available volume of work:
 - . lowering of the retirement age,
 - . restructuring of shift or team work,
 - . organization of a shorter working week,
 - . restriction on overtime.

Social concerns, and particularly re-employment problems, should be kept to the forefront in the organization of reductions in the workforce. Any social measure which avoids dismissals will lighten the financial burden these place on the community. Efforts should therefore also be made to evolve social measures designed to make dismissals unnecessary, such as work-sharing.

Finally, it is pointed out that under the existing agreements between the Member States and the Commission, ECSC readaption aid is granted automatically, thus constituting a guarantee of aid which is regarded as a major social achievement of the ECSC. The Commission stresses, however, that any new increase in automatic expenditure, either in the framework of existing agreements or as a result of new measures, would create serious difficulties as regards budgetary equilibrium.

There is considerable uncertainty with regard to the future budgetary position, due to the inadvisability under present conditions of increasing the rate of the levies which constitute the main source of funds for the ECSC budget. With a view to mobilizing a supplementary source of funds, the Commission has requested Member States to take the necessary steps to transfer to the ECSC budget from the beginning of 1979 the revenue from ECSC customs duties, which are provisionally estimated at between 50 and 60 m EUA.

The Commission will finalize its working paper in the light of the comments of the ECSC Consultative Committee.

2) ELEVENTH FEDERAL CONGRESS OF THE DEUTSCHER GEWERKSCHAFTS-
BUND (GERMAN TRADE UNION FEDERATION) IN HAMBURG

The Deutscher Gewerkschaftsbund (DGB) held its eleventh Triennial Federal Congress in Hamburg from 21 to 26 May.

Effective action to combat unemployment will continue to be the Federation's major concern in the period up to the next triennial congress. Beyond this, the DGB would like to see the right to work guaranteed to the greatest possible extent in both theory and practice. Following the events this year during disputes in the metalworking and printing industries, the Federation is more determined than ever that lockouts should be banned. The DGB is not prepared to return to the "Concerted Action" talks, but it is ready to participate in discussions outside this framework on ways of combating unemployment if it is clear that the Government and, in particular, the employers have a genuine contribution to make. The re-elected President, Mr. Heinz O. Vetter, stressed in his policy speech that failure to overcome the present world economic crisis and to even out the inequalities between the rich North and the poor South could lead to war, chaos and the end of civilization as we know it.

This most dangerous economic crisis since the War was, Vetter said, "an immense challenge". For the last four years, there had been over a million unemployed in the Federal Republic, whilst the figures were 7 million for the European Community, 17 million for the industrial countries as a whole and an incredible total of well over 200 million unemployed worldwide.

The results of voting for the Executive Bureau of the DGB, which was elected **unopposed**, were as follows:

Results of voting for the Executive Bureau of the DGB

	Votes Valid				
	<u>cast</u>	<u>votes</u>	<u>For</u>	<u>Against</u>	
Heinz Oskar Vetter	484	483	471	10	2 abstentions
Maria Weber	495	492	428	2	3 invalid
Gerd Muhr	495	492	455	2	3 invalid
Martin Heiss	489		414		3 invalid
Alois Pfeiffer	489		459		3 invalid
Gerhard Schmidt	489		420		3 invalid
Karl Schwab	489		401		3 invalid
Günter Stephan	489		418		3 invalid
Gerhard Vater	489		442		3 invalid

The result for the re-elected President, Heinz Oskar Vetter, was the best ever obtained by a President of the DGB.

Maria Weber and Gerd Muhr were elected to the office of Vice-President.

As expected, the proceedings were conducted in a calm atmosphere. Even controversial questions such as the "Concerted Action" talks, on which Karl Hauenschild, President of the Chemical Industries Union, and Heinz Kluncker, President of the OTV (Public Services and Transport Union), clashed, were discussed soberly.

The main resolutions adopted at the Eleventh Congress were as follows:

WORKER PARTICIPATION

Amongst the wide range of resolutions adopted, those relating to social policy gave pride of place to worker participation and the humanization of work. The Eleventh Congress repeated the main demand of the previous "Parliament of Labour" in 1975, which had called for "worker participation in decision-making at plant and undertaking level and in the economy as a whole" as a decisive step towards the democratization of society and the economy. It also called for parity and uniform worker representation on the supervisory boards of undertakings, equal participation by worker representatives from outside, election and dismissal of worker representatives by works' councils, and a worker director on each executive board

Limited worker participation should also, in the unions' view, be introduced in the public sector.

NO PARTICIPATION IN CONCERTED ACTION

A resolution adopted in Hamburg confirms the DGB's previous attitude to the "Concerted Action" talks. Whilst the Federation is prepared to talk to the Government, it will not participate in the Concerted Action again until the employers have given up their attempt to have the Law on Worker Participation declared unconstitutional.

HUMANIZATION OF WORK

Congress predicted that the present trend towards technological and organizational rationalization would involve workers in "the loss of jobs, the devaluation of knowledge and skills, occupational downgrading, rising output demands and an increased strain on health". It therefore called for:

- tolerable and realistic output norms,
- longer rest periods and additional holidays instead of overtime pay,
- limitations on night and multi-shift work and
- the progressive elimination of "monotonous, meaningless, highly compartmentalized or unskilled jobs".

INCORPORATION OF THE RIGHT TO WORK IN THE BASIC LAW

The Hamburg Congress decided not to demand the explicit incorporation of the "right to work" in the Basic Law. Instead, a motion was passed stressing that the "welfare state principle" embodied in the Basic Law already imposed on the organs of the State an obligation to endeavour to guarantee the right to work. Comprehensive economic and social policies aimed at full employment should now be implemented to make this right a reality.

PROPOSALS AIMED AT RE-ESTABLISHING FULL EMPLOYMENT

The "present persistently high level of unemployment and the danger of rising unemployment in the foreseeable future" had, according to a resolution adopted on economic policy, become a grave threat to workers' acquired social rights, the humane organization of the economy and the democratic development of society. The following stand out among the wide range of demands and proposals made by the DGB in this connection:

- Full employment must be re-established by means, amongst other things, of reductions in the working population (lowering the flexible retirement age, increasing the time spent in initial and further training) and in working time (longer holidays, a shorter working week).
- The maximization of employers' profits must no longer be the main factor in decisions on employment, production, investments and prices.
- Public investment programmes must be given priority over the promotion of private investments.

The DGB also wishes to see financial and tax policy directed towards safeguarding employment. In this connection, Congress advocated the incorporation of subsidies in structural development plans and full exploitation of the public sector borrowing potential. Whilst "tax gifts to entrepreneurs" should be stopped, progression of income tax should be made less steep.

In view of the one million unemployed in the Federal Republic, Congress stated in an informal resolution that the economic policy instruments hitherto applied had proved inadequate to achieve full employment. In addition to an extension of worker participation and various structural measures, it proposed the creation of "economic and social councils", which would give employees a say in the planning and management of the economy".

RATIONALIZATION

The twin problems of rationalization and job losses resulting from technical progress, which had played an important role in recent collective bargaining, were discussed in detail. Rationalization and technical progress should, in the DGB's view, be used to help humanize work rather than to eliminate it. Improvements were therefore needed with regard, in particular, to protection against dismissal, the right to retraining without loss of earnings and to regular opportunities for further training. The Congress asked the Executive Committee of the DGB to make the problem of rationalization and its effects one of its main concerns.

COLLECTIVE BARGAINING POLICY

Congress called for the reduction of the working week to 35 hours against the recommendation of the resolutions committee, which had advised against a definite commitment to this particular measure for shortening working time. This question had already given rise to differences of opinion within the individual unions. The Düsseldorf Congress of the IG Metall (Metal Industries Union) in September 1977 had likewise voted in favour of the 35-hour week against the advice of its resolutions committee.

A resolution was adopted stating that the DGB and its member unions intended to continue their "active collective bargaining policy". The unions would work to safeguard and improve the economic and social situation of workers by the conclusion of collective agreements. They would also work to achieve full employment, economic growth for a better quality of life, price stability and a more equitable distribution of incomes and wealth.

STATUTORY BAN ON LOCKOUTS

The delegates adopted a resolution supporting Mr. Vetter's demand for a ban on lockouts. In the debate the President of the IG Metall, Eugen Loderer, said that, since the political situation was at present unfavourable to legislative action, the courts, whose judgements had permitted lockouts in the first place, would now have to prohibit them. Chancellor Schmidt had warned against misuse of the lockout weapon. Only those who were prepared to refrain from excessive use of a particular weapon could, Schmidt had emphasized, justifiably plead its legitimacy.

EXECUTIVE COMMITTEE TO PRESENT A SOCIAL POLICY PROGRAMME

The Hamburg Congress called on the Executive Committee to draw up by the next Federal Congress a social policy programme providing a comprehensive statement of union goals. For the purposes of drafting this programme, the differing views of the individual unions on topics such as a unified social insurance scheme would be reduced to their common denominators. Congress expressed its satisfaction as regards the development of health expenditure. Delegates particularly welcomed the fact that the Law on Measures to Limit Sickness Insurance Expenditure had made the sickness funds and their branches full partners with those providing the services in relation to planning and the negotiation of agreements and had extended branches' tasks and scope for action. They saw this as a first step towards the radical reform of the health services in the interests of workers advocated in the DGB's health policy programme. Congress rejected cuts in benefits, contributions by patients towards costs and plans for a system based on reimbursements as "unacceptable ways of limiting expenditure".

Both the President of the Federal Republic, Walter Scheel, and the President of the Commission of the European Communities, Roy Jenkins, were present at the opening of the Federal Congress of the DGB. Mr. Jenkins gave the following speech:

"Mr. Chairman! Mr. President! Ladies and Gentlemen! The trade unions - notably amongst them the German trade unions - have played an indispensable part in the construction of the European Community. Without your support, and the support of your predecessors in this hall, it would hardly have been possible to make a reality of the dreams of Europe's founding fathers. But in paying tribute to your dedication to the European idea, and in saluting the practical common sense which lies behind that dedication, I look to the future as much as to the past. For Europe today faces a series of challenges - less obvious perhaps than those of a generation ago but at least as serious. If those challenges are to be successfully overcome, the support of the trade union movements, in Germany and throughout the Community, is as indispensable for the next stage of the journey as it has been in the past.

What are those challenges?

The clearest, in some ways the simplest, is the challenge of democratizing the Community's own institutions. In one year and three weeks the electorate of the Community will be voting for the first time in direct elections to the European Parliament. If this enterprise is successful - the elections themselves and the subsequent functioning of the Parliament - it could prove to have been one of the biggest steps forward in the Community's history. If they should fail, the setback, though not mortal, would

certainly be serious. Those who have the future of the Community at heart therefore bear a heavy responsibility to try to ensure that the elections do in fact succeed - that the turnout is high, that the campaign is fought on genuine European issues, and that these major issues are not lost in the clamour of national or even local party dog fights. A big responsibility lies with the political parties themselves, and with others in positions of leadership. But there is also a duty upon us in the institutions of the Community to provide relevant and vital European views on which the debate can be focussed.

The second challenge - superficially unconnected with the first - but in a deeper sense closely related to it - is that of enlargement. Three new democracies in southern Europe are now knocking at the Community's doors. They are doing so partly because they wish, quite legitimately, to share in the economic advantages which membership of the Community can give them. But their motives are not primarily economic. They have been impelled to seek entry into the Community because for them Europe is at once a symbol and a guarantor of their commitments to democracy and personal freedom - because, in other words, they are animated by the same ideal which lies behind the decision to hold direct elections to the European Parliament. And this, I believe, faces all of us with a clear and inescapable moral obligation.

If the last 40 years of European history have taught us anything, they should have taught us that freedom is indivisible - that if freedom is threatened in "a faraway country of which we know little", it is threatened on our own doorsteps as well. It follows that the sustenance of democracy in the applicant countries of southern Europe must be a major priority for the existing members of the Community, and that no narrow accountancy approach should stand in the way of their admission. To slam the door on Greece, or Portugal or Spain would be to imperil democracy in Greece, Portugal or Spain. To do that would make a mockery of the principles to which the Community is dedicated. In the longer run, it would also be to strike a blow at the security and the democratic health of the existing Member States of the Community as well.

But to welcome the three southern European applicant countries into the Community without at the same time overcoming the third challenge now facing it would be to present them with a poisoned chalice. The third challenge is that of the long drawn-out economic malaise in which the western world has been engulfed for the last five years. The nature and causes of this continuing weakness will, no doubt, be debated by economists and historians for years to come. About the effect there is, I believe, no longer any serious dispute. At this moment 6 1/2 million Community citizens are out of work. In the next 7 years, 9 million more young people will be entering the Community's labour market than old people will be leaving it. And no major upturn is yet in sight. It is true that in 1977 the Community's record of inflation was better than in 1976.

But its record of economic growth was worse. The Community has so far managed to hold together in the face of this crisis. It has stood firmly by its commitment to trade liberalization; the unity of the market has not been placed in serious danger. But, to put it at its lowest it would be rash to count on the indefinite continuation of this state of affairs if unemployment remains at its present level. And, in any case, the prospect of unemployment continuing indefinitely at its present level - to say nothing of the prospect of increased unemployment resulting from the changes in the population structure to which I have referred - is morally and politically intolerable.

The challenge of mass unemployment must therefore be met; and meeting it has to be the central overriding priority of the European Commission. My colleagues in the Commission and I are convinced that, with the best will in the world, it is simply not possible for the separate Member States of the Community to meet that challenge effectively by action taken solely at the national level. No single western European nation state, not even the Federal Republic, has the strength to pull itself out of the present crisis by its own boot straps. The locomotive theory was always wrong and has now been rightly discarded. We have become far too interdependent economically for that. The weak economies of the Community cannot reflate unilaterally for fear of the consequences for their balances of payments, and ultimately for their exchange rates and their rates of inflation. But the strong, export-oriented economies cannot act unilaterally either, since their ability to achieve a satisfactory rate of growth depends as much on the level of demand in the countries to which they sell their exports as it does on the level of demand within their own borders. The solution lies - indeed, it can only lie - at a level above that of nation state; and I believe that it lies first and foremost at the European level.

It is in that spirit that the Commission decided some months ago to relaunch the concept of European economic and monetary union. It is in the same spirit, I hope, that the trade unions of the Community will in turn base their attitude on that concept. It is not a panacea. Nor is it a magic solution to all our problems. But a strong move in that direction is, I believe, an indispensable framework for their solution. I hope, indeed I trust, the German trade union movement will feel able to give it the steadfast imaginative support which it has given to the building of Europe in the past.

In conclusion, may I thank you for the honour of being invited to speak here today and wish you every success for your Congress."

3) BERT THIERRON ELECTED GENERAL SECRETARY OF THE EUROPEAN METALWORKERS' FEDERATION - MEETING OF THE EXECUTIVE COMMITTEE OF THE EMF IN ROME ON 4 AND 5 JULY

The Executive Committee of the European Metalworkers' Federation (EMF) met in Rome on 4 and 5 July under the Chairmanship of its Vice-President, Franco Bentivogli (FLM - Italy), and President, Hugh Scanlon (AUEW - United Kingdom).

The main points on the agenda were reports on the union scene in individual countries, the Secretariat's progress report, the programme of meetings for the coming months and the election of a new General Secretary.

In a detailed report on the political, economic and social situation and the trade unions in Italy, Pio Galli, General Secretary of the FLMI (Italian Metalworkers' Federation), stressed the importance of the political and economic crisis in Italy for the strategy of the Italian trade union movement. "Whether the crisis will be overcome or not depends," he said, "on the extent to which we can pursue our proposals with sufficient determination to ensure their implementation. This in turn is dependent on whether we can mobilize the workers fully. The coming collective bargaining round is a test from which we must emerge strengthened".

The Executive Committee approved a study prepared by the Secretariat of the EMF on working conditions in the European aerospace industry. This study covers terms of employment (in 14 comparative tables), staffing and vocational training, health protection and safety provisions for workers. The second part of the report compares earnings for 16 representative jobs.

The effect of shortening working time on labour market policy and sectoral policy in the aerospace, shipbuilding, data processing and nuclear power station construction industries were amongst the topics discussed in depth by the Executive Committee in connection with the Secretariat's progress report for recent months.

The EMF's programme for the coming months includes meetings on wages and salaries in the motor vehicle and shipbuilding industries and on policy in the shipbuilding and aerospace industries, the drawing up of EMF criteria for judging the party platforms for direct elections to the European Parliament and the convening of the EMF Working Group on Philips.

The Executive Committee expressed its thanks to the outgoing General Secretary Günter Köpke, who had been appointed Director of the new European Trade Union Institute in the middle of April, and proceeded to elect Bert Thierron, a Belgian who had hitherto been Deputy General Secretary, as General Secretary of the EMF for the period up to its Fourth General Assembly in 1980.

4) MEETING OF THE EXECUTIVE COMMITTEE OF THE ETUC IN VIENNA ON
22 AND 23 JUNE

The Executive Committee of the European Trade Union Confederation (ETUC) met in Vienna on 22 and 23 June to discuss the following points in particular:

- the economic situation;
- the follow-up to the Tripartite Conference,
- the ETUC Statement on Lomé II,
- multinational companies' obligation to make information available,
- the Third Statutory Congress of the ETUC.

The Executive Committee welcomed the fact that the Heads of State and Government of the nine Member States had decided to adopt a common economic revival strategy at their July meeting in Bremen. It stressed that full employment must be the main objective of economic policy and that the other aspects of the common strategy must be designed to contribute towards that objective. Community economic policy must show the determination of all the Governments to usher in a new socio-economic era in which full employment could be achieved. The Executive Committee discussed employment, monetary, economic and trade policies and agreed on the demands to be presented to the Heads of State and Government at the Bremen Summit (see Point 5).

These same demands, aimed at improving the situation on the labour market, would also, it was decided, be put forward at the World Summit in Bonn on 16 and 17 July.

The decisions taken at these two Summits will undoubtedly be discussed at the tripartite conference for the Community which is to be held in the near future.

The Executive Committee was pleased to note that the Committee of Ministers of the Council of Europe had also decided to convene a tripartite conference during the first quarter of 1979.

The ETUC working paper on the second Lomé Convention was discussed and the Committee expressed the view that the new ACP/European Community Convention should indicate clearly that it must be regarded as part and parcel of efforts to establish a new economic and social order.

Amongst other things, the Executive Committee stressed that:

- the Member States of the Community must all apply the international aid rate (0.7% of GDP for development aid) and must work towards closer harmonization of their development policies;
- the observation of fundamental human rights, trade union rights and minimum acceptable working conditions must be made an explicit condition taking precedence over all obligations under the Convention;

- the two sides of industry must be consulted regularly during negotiations on the renewal of the Convention.

The Executive Committee adopted the paper on the draft ETUC position as a basis for its activities during the Lomé II negotiations.

A report on multinational companies' obligations as regards the provision of information to the public, workers and their trade unions and the publication of their annual balance sheets was also approved. This report should be seen as part of the ETUC's action programme on multinationals.

It was decided that the Third Statutory Congress of the ETUC would be held in Munich from 14 to 18 May 1979.

5) ETUC STATEMENT TO THE EUROPEAN COUNCIL MEETING IN BREMEN ON 6 AND 7 JULY

(adopted by the Executive Committee of the ETUC on 22-23 June 1978 in Vienna)

1. The Executive Committee of the ETUC believes it to be vital that the Heads of State and Government of the European Community agree on a common economic recovery strategy at their meeting in Bremen on 6 and 7 July. After four years of recession, it is clear that the mix of policies on which many governments have relied has been inadequate and that a new departure is overdue. The introduction of such a strategy was demanded by the ETUC's affiliated organizations, representing more than 40 million workers, at meetings and demonstrations throughout Western Europe on 5 April - the European Action Day for Full Employment. A failure of governments and the Community to take decisive action now could have very damaging consequences - socially, economically and politically.
2. With well over 6 million registered unemployed in the Community and as many as 3 million more people unemployed but not registered, and with the certainty that the working population in the Nine will continue to increase well into the eighties, the ETUC insists that full employment must be the central aim of economic policy and that policies on the other aspect of a common strategy - monetary affairs, energy, trade, industry, and relations with developing countries - can and should be so designed as to contribute to this goal.

Economic and monetary affairs

3. The ETUC considers it to be essential that all countries now take coordinated action to expand the Community economy. Intermediate objectives should be set so that it will be possible to assess and monitor progress in achieving full employment this year, next year and in the years immediately following.

In addition to this basic objective, there is a need to improve the quality of life, increase purchasing power and social benefits, redistribute incomes and wealth, share out the burden of taxation more fairly and promote democracy.

4. The ETUC does not believe that the extra effort indicated by a growth target of 4.5% to be reached only by the summer of 1979, would be sufficient to make real progress in reducing unemployment. Governments and the Community should set quantitative employment creation objectives taking into account in which sectors, industries and regions jobs will be lost and in which jobs must be created. We are confident that planning for full employment would show that the Community is at present wasting human and capital resources and that we could be making faster progress than we have done in recent years in improving the societies in which we live.
5. The level of demand in our economies must certainly be supported so that it is compatible with job creation and growth, but selective and specific industrial, regional and labour market measures are also required to tackle structural problems. Such problems are arising in some Community countries because for instance, there are divergences between increases in productivity rates and increases in growth rates (the former being higher than the latter) and because countries with weak balances of payments are having difficulty in reconciling the two aims of full employment and price stability.
6. Private investment is certainly important in all our economies but it will not recover by itself when the demand for the goods produced with the help of these investments is so low. Accordingly,
 - action must be taken, with special emphasis on measures designed to benefit those on low incomes, to stimulate consumption directly instead of subjecting it to shortsighted restrictions,
 - public investments in manufacturing and the services sector should be increased in such a way as to lead the economic recovery: these investments can and must be selective - directed towards overcoming inflation-generating bottlenecks, meeting people's real needs and helping to increase the overall level of demand.
7. The ETUC agrees that reforms are urgently needed in the European and international monetary system. The objective must be to create a system which facilitates, rather than blocks, social and economic development. Greater exchange rate stability is desirable, but it is not an objective which can be pursued in isolation.

It must be recognized that, if greater European monetary coordination is not accompanied by measures designed to achieve a better industrial and agricultural balance in the Community, it will be **harder** rather than easier to overcome economic problems in general and employment problems in particular. And since it is not possible for all countries to rely simultaneously on export-lead growth, there must be a reinforcement of Community mechanisms for dealing with balance of payments problems between surplus and deficit countries on the basis of solidarity. Action to control speculative flows of capital and the activities of multinational companies in the monetary field is also essential.

Employment policy

8. While all policies should now be designated to help protect and promote employment, there is also a continuing need for specific labour market measures.
9. The ETUC attaches the utmost importance to job creation measures and a reduction in working time. The European Council in Bremen should agree that governments and the two sides of industry will take steps - in conformity with the practices of each country and without infringing on free collective bargaining - to reduce without loss of earnings the average volume of work per employee - by shortening the working week, extending annual holidays or lowering the retirement age - to a sufficient extent to bring about a substantial increase in employment opportunities for all job seekers. We look to the Community particularly to initiate effective action to limit overtime.
10. With regard to the labour market more generally, the sorts of policies which are required for young workers, women and other disadvantaged groups are clear and their economic and social usefulness has been demonstrated. What is now needed above all is a greater financial effort and better coordination at national and Community levels. Provided they are subject to proper checks to prevent abuse, job subsidies, to take just one example, should also play a role, particularly in facilitating structural adjustments and assisting disadvantaged groups - and their real cost is quite small.

Industrial and regional policy

11. The ETUC does not believe that the structural changes necessary in the European economies can be achieved within an acceptable time-span if we rely solely on arms-length, macro-economic demand management measures or on the operation of the present exchange rate system. Nor do we believe that it is possible to rely solely on private investment: constraints on the development of public investment in both the manufacturing

and services sectors should be removed. The continuing growth of very large national and multinational companies has fundamentally changed the way our economies operate with the result that policies based on liberal free market assumptions are no longer appropriate.

12. We therefore believe that governments and the Community should develop more comprehensive and planned industrial and regional policies to deal both with crisis sectors and regions, where jobs are being lost, and with growth sectors and regions where jobs must be created. To facilitate this, an investment notification system drawing on the experience gained from the system operating in the coal and steel industries should be introduced in other sectors. As a matter of general principle, all aids to industry should be related to an overall employment plan: technology must serve mankind and not vice versa.
13. It is clear that neither the governments nor the Community institutions can develop workable industrial and regional strategies in isolation. We therefore welcome the declaration of the European Council in Copenhagen that a framework for tripartite cooperation should be set up at European level in several sectors to overcome the serious problems of structural overcapacity and promote an industrial structure that can maintain itself in worldwide competition. This should be done without further delay for both growth and crisis sectors. The Community must also pursue policies which not only permit Member States to make their regional policies more effective but actively help them to do so. The Regional Fund of the Community itself must be enlarged and, generally, regional considerations must be taken fully into account in developing other policies in the Community.

Energy policy

14. The ETUC believes that the implementation of a European energy policy should be based on the following principles:
 - the short- and long-term interests of society as a whole should have priority over private interests and immediate profit;
 - the responsibilities and powers of the public authorities in the field of energy policy should be extended;
 - the Community should work to reduce its dependence on imports for the supply of energy and to diversify in terms of the forms and sources of energy exploited;
 - new energy forms and technologies need to be developed which save energy and do not harm the environment.

Trade policy

15. The ETUC recognizes that sustained growth in world trade is essential for the promotion of world economic recovery and we are very concerned that this will be seriously hampered by shortsighted beggar-thy-neighbour policies. However, the idea that all the issues involved boil down to "free trade versus protectionism" is in our view an unacceptable oversimplification.
16. The plain facts of the present situation are that all European countries face major structural problems and that governments need a range of selective policies to overcome them. Trade discussions at European and international level, such as those currently taking place within GATT, should take account of this fact and should seek to develop criteria, backed by tripartite monitoring machinery, to determine whether particular policies are internationally acceptable. In line with this approach, the ETUC believes that the GATT negotiations should consider the development of trade sector by sector. Similar procedures should be adopted for the discussion of trade matters within the Community.
17. We also support proposals that a clause should be added to the GATT Treaty setting out the social obligations on which trade should be based and that Article 19 of the GATT Treaty should be revised to provide more realistic criteria for the application of the safeguard provisions.

Relations with developing countries

18. The ETUC welcomes the recognition by the European Council in Copenhagen that the Community's relations with developing countries must be a major part of the common economic recovery strategy. Separate talks will of course begin soon on the renegotiation of the Lomé Convention but the Copenhagen meeting did conclude that "an overall increase in the flow of aid to the developing countries will facilitate their opportunities for playing a greater part in a general recovery of the world economy". We agree but wish to emphasize that aid should be geared to meeting basic social and economic needs in the receiving countries and should not be used to prolong the existence of outdated trade patterns. All governments should honour their commitment under the United Nations international development strategy to give at least 0.7% of their GNP as official development aid, and they should announce their intention to do so at the Bremen meeting.

6) THIRD WORKING CONFERENCE OF THE SAAR-LORRAINE-LUXEMBOURG INTERREGIONAL TRADE UNION COUNCIL IN SAARBRÜCKEN ON 9 AND 10 JUNE

The Saar-Lorraine-Luxembourg Interregional Trade Union Council held its third information and working conference in Saarbrücken on 9 and 10 June. In addition to the delegates, numbering approximately one hundred, the conference was also attended by a number of figures from public life in the three frontier regions including the Prime Minister of the Saar, Franz Joseph Röder, and the Chairman of the Lorraine Economic and Social Council, Maurice Halff.

Commissioner Antonio Giolitti assured the conference that the Commission of the European Communities would give its full support to international action to overcome the present problems of the Saar-Lorraine-Luxembourg trans-frontier region. Close cooperation was particularly important in the three areas making up this transfrontier region to ensure that the most effective use was made of Community funds.

Speaking on behalf of the Federal Ministry for Economic Affairs, Dieter von Würzen stressed that the steel crisis could only be overcome "if the European steel industry adapts to the worldwide changes in market conditions". He warned strongly against keeping operations which had become unprofitable alive with heavy state subsidies ("the Great Premium and Subsidy Race"). At the same time, he stressed that special importance would be attached to the Saar coalmining industry's traditional position as a supplier for the local steel industry in the coming negotiations with ARBED.

Mario Castegnoro (CET - Luxembourg) called for a world conference on steel and a transfrontier tripartite conference in the Saar-Lorraine-Luxembourg region.

The Interregional Trade Union Council, presided over by its Chairman, Manfred Wagner, adopted the following statement:

STATEMENT ADOPTED BY THE SAAR-LORRAINE-LUXEMBOURG INTERREGIONAL TRADE UNION COUNCIL ON 10 JUNE 1973

No other region in the European Community is at present so dramatically affected by the world economic crisis, and more specifically the world crisis in the steel industry, as the Saar-Lorraine-Luxembourg transfrontier region. Add to this the major restructuring problems brought about by serious omissions on the part of the region's steel undertakings in past years and the lack of a forward-looking regional and sectoral policy, and the end product is the most serious economic and employment crisis in the history of the region. Developments so far

lead the unions to fear that the brunt of this crisis and the resultant radical structural changes will be borne by the workers. The unions have consistently issued strong warnings against these dangers over the past few years. The member unions of the Saar-Lorraine-Luxembourg Inter-regional Trade Union Council see the consequences of this increasingly serious crisis as:

- the progressive economic decline of the region,
- a further increase in the number of people, and particularly young skilled workers, lured away from the region by the magnet of economic prosperity,
- a cumulation of redevelopment problems, especially in those towns and communities historically shaped mainly by the iron and steel, coalmining and textile industries.
- mass redundancies, either already carried out or impending, and the large scale loss of jobs through rationalization and capacity reductions in the steel industry and linked sectors, coming on top of an already high level of structural unemployment and adding to the income losses suffered by working people in the region,
- a persistently above average level of unemployment and very high unemployment amongst women and young people,
- increasingly damaging psychological effects leading to a complete loss of hope for the future to social and political tensions in our frontier regions and to a weakening in the will to work for a united Europe.

The crisis has become more serious since the Inter-regional Trade Union Council's conference on 10 July 1976, 21 and 22 January and 11 and 12 December 1977. We therefore feel obliged to repeat many of our previous demands with even greater insistence and to set them in the broader context of the need to move towards integration within Europe.

It is the hope of the workers and the Interregional Trade Union Council's member unions that the first European Parliament with a direct mandate from the voters will make a significant contribution towards the solution of the transfrontier region's problem and the creation of a "social" Community where the focus will be on the interests and problems of workers and their families instead of, as has hitherto been the case, on the interests of undertakings and capitalists.

The solution of the Saar-Lorraine-Luxembourg region's problems must be given special priority because it is here that employment problems are most serious and here too - in the frontier regions - that European solidarity is most crucial. Constructive action to promote European integration is urgently needed in the interest of the workers in those areas of the Community where the territory of several Member States meets.

The Interregional Trade Union Council therefore once more urges the Governments, the Commission of the European Communities and the employers to act on the following proposals and demands:

1. In all three of the sub-regions, coordinated policies must be developed and implemented to protect employment and deal with the social consequences of rationalization in the coal and steel industries. Rationalization measures must be spread out over a sufficient period of time to enable them to be coordinated with efforts to create replacement jobs. Specifically:
 - manufacturing industries must be expanded;
 - safeguards must be provided against any social problems arising in connection with transfers to other work and provision must be made for early retirement;
 - full provision must be made in good time for retraining and advanced training;
 - special programmes must be devised and implemented as speedily as possible to create sufficient new skilled jobs to replace those lost.

The Interregional Council calls on the management and shareholders of the undertakings in the iron and steel industry to devote all their efforts to preserving the maximum possible number of jobs. If employers are unable or unwilling to provide sufficient financial resources for this, then the Governments will have to contribute either directly or indirectly.

2. More attention must be paid to the direct effects of the steel crisis on the region's coalmining industry. The decline in the amount of coal consumed by the steel industry comes at a time when, especially in the Saar and Lorraine, the employment situation in the coalmining industry is already strained as a result of high pit-head stock levels and a general fall in demand. A central element of transfrontier economic policies for the region must therefore be a coordinated energy policy giving locally mined coal absolute preference for use both in electricity and coke production and in the new refining processes (gasification and liquefaction) for which facilities need to be developed in the region. Joint action should be taken to consolidate and extend existing mining activities in the region and bring new areas into production. This is made easier by the fact that the two mining concerns - HBL and Saarberg - are both State-owned.

In order to provide outlets for local coal, cooperation in the energy field should include the construction of additional coking capacity, a pilot Franco-German coal-fired power station and further coal-fired power stations, and the development of large-scale coal

refining facilities and a modern carbochemical industry in the Saar-Lorraine-Luxembourg region.

3. The problems of the textile industry, particularly in the southern part of Lorraine, merit the same degree of attention as do those of the steel industry. A Community approach to the problems of this sector is essential, as is the development of regional policy measures aimed at improving production structures and the structure of undertakings and action to guard against the dangers involved in these localized structural changes.
4. Transfrontier cooperation needs to be supplemented by joint action in the field of vocational training. Work must be pushed ahead more vigorously on the establishment of a joint Franco-German vocational training centre in the area near the Saar-Lorraine frontier - a project which has the backing of the German Federal Government. The joint Franco-German higher education institution which it has been decided to set up in Saargemünd must open its doors as soon as possible. It is even more important for the transfrontier region than for the Community as a whole that the goal of mutual recognition of diplomas also be achieved at the earliest possible moment.
5. Efforts to fill the gaps which still exist in transport infrastructure must be stepped up in the next few years with a view to creating more favourable conditions for the achievement of local and regional development goals.

The deficiencies in the European road arteries running through Luxembourg should be made good with the help of the European institutions. Improvements are also needed in public passenger transport services, in particular rail services.
6. The Federal Republic and France should work together to plan and carry out the canalization of the Saar through Saarbrücken into Eastern Lorraine.
7. Steps must be taken to ensure that the infrastructure of all three sub-regions, both public and private, is extended and modernized in a coordinated fashion. This is essential if new undertakings are to move into the region and those already there are to expand, and hence if additional skilled jobs are to be created and existing jobs preserved.
8. Any move at either national or Community level likely to foster continued rapid concentration of the services sector in a small number of national centres must be avoided. More serious consideration should be given to the possibility of decentralizing services where practicable to locations in the frontier regions.

The Saar-Lorraine-Luxembourg region should also be given preferential consideration by the European Community as, for instance, a possible location for Community installations in the energy, research, educational and cultural fields.

9. The quality of the water in the Moselle, the Saar and their tributaries must be improved. A joint environmental and water protection policy is essential for transfrontier coordination in the planning, establishment and protection of recreational areas and for the stimulation of tourism.
10. The promotion of workers' interests in Europe goes hand in hand with the promotion of consumer interests. With the movement towards increasingly close economic integration within the European Community, consumer protection and information becomes a matter of vital importance. In addition to national measures, action should be taken to implement the principles of the preliminary programme for a consumer protection and information policy adopted on 14 April 1975. Improved price controls are also important in this context.
11. It is the workers who feel the main impact of the continuing failure to achieve European integration, since these lie primarily in the field of social policy. Clear progress in the harmonization of social conditions is essential if working people are to be motivated to support the European ideal. Frontier workers and pensioners, for instance, are particularly liable to suffer losses as a result of exchange rate fluctuations. Provision should be made within the framework of the European Social Fund for measures to prevent such losses.
12. Regular information exchanges should also cover the humanization of working conditions in factories and offices leading to more efficient and successful action to achieve this goal.

Agreement on both ends and means and prior consideration of the practical possibilities in political terms are essential for the realization of the above demands, proposals and objectives. The Interregional Trade Union Council has considered this aspect of its policy on transfrontier cooperation particularly carefully and would make the following proposals:

- 1) The drawing-up of a development plan for the Saar-Lorraine-Luxembourg transfrontier region is the fundamental precondition for successful solutions to the region's problems. A programme of short-term, priority measures and medium- and long-term programmes to supplement them could then be worked out on the basis of the plan. This is a matter for the Governments in cooperation with the Community institutions.

Using these programmes a link must be established between national regional programmes and the Community's regional and sectoral policies.

- 2) Overall development policy must be complemented by a transfrontier land use policy which will make possible detailed planning on a transfrontier basis.
- 3) In addition to the above, a plan must be devised to improve the image of the region among outsiders and thus create a psychological climate in which it can compete successfully with other regions.
- 4) Steps must be taken in cooperation with the European Community to ensure that the various Community funds - e.g. the European Social Fund, the Regional Development Fund, ECSC aid and the European Investment Bank - play a more active role in this region and that their operations are coordinated properly with each other, complement national aids and fit in with development plans for the region.
- 5) Planning coordination at governmental level could take place within the framework of the Saar-Lorraine-Luxembourg Regional Commission and the Intergovernmental Commission. The activities of both these bodies should be stepped up and their role extended. In the interests of improved transfrontier cooperation, the Interregional Council demands that the unions be given an opportunity to participate in the work of the Regional Commission and the Intergovernmental Commission.
- 6) The Interregional Trade Union Council calls for a tripartite conference to be held on the lines of the one already held for the Community as a whole and, more particularly, of the national tripartite conference for Luxembourg, which worked out an action programme to sustain economic growth and full employment.
- 7) The national governments must act as fast as practicable to implement, within the framework of an agreement, the institutionalized cooperation called for by the Interregional Council.

It is the firm belief of the Interregional Council's member unions that their proposals and demands represent a positive contribution to European integration and a stimulus for new initiatives aimed at solving the economic and employment crisis in the Saar-Lorraine-Luxembourg region.

The Interregional Trade Union Council's member unions reaffirm their determination to continue to work together towards the goal of a united Europe where prosperity, social progress, peace and liberty will be secure.

7) ANNUAL CONGRESS OF THE CHRISTELIJK NATIONAAL VAKVERBOND -
CNV (NETHERLANDS PROTESTANT TRADE UNION FEDERATION)

The CNV - a Dutch trade union federation with 300 000 members - held its Annual Congress on 12 June in Utrecht.

The retirement of Jan Lanser as President of the CNV and the election of his successor made this year's Congress particularly important. At the time of his election as President of the CNV in July 1969, Lanser had stated that it would be best, both in the interests of the Protestant trade union movement and from his personal point of view, if any one individual were only to hold the office of President for a limited number of years.

Harm Van der Meulen, previously a member of the Executive Committee, was elected President of the CNV. Like Lanser, he comes from the metalworker's unions.

One member - Louw de Graaf - having been appointed State Secretary for Social Insurance at the beginning of the year, the membership of the Executive Committee is now as follows:

H. Van der Meulen	President
H. J. Moes	Vice-President
A. Hordijk	General Secretary
D. de Jong	Treasurer
A. J. Polendijk)
D. H. Grasman)
H. Hofstede) Secretaries
D. Van de Kemp)
G. H. Terpstra)

REVIEW OF COMMUNITY AID MEASURES UNDER THE ECSC
TREATY

General Measures

- Loans to facilitate the implementation of investment programmes (Article 54 of the ECSC Treaty): 932.5m EUA in 1976 and 713m EUA in 1977.
- Conversion loans under Article 56(2)(a) amounting to 64m EUA in 1975, 62m EUA in 1976 and 126m EUA in 1977, which have made it possible to create or preserve about 15 000 jobs over the three years concerned. (The Commission is at present examining several applications for conversion loans on which a decision will be taken before the end of the year.)
- Aid from the European Regional Development Fund: 31m EUA between 1975 and the end of 1977.
- Loans by the European Investment Bank: 197.5m EUA in 1977.
- ECSC low-cost housing loans: 12.5 m EUA in 1976 and 15 m EUA in 1977.
- Financial aid for technical and economic research relating to the production and increased use of coal and steel (Article 55 of the ECSC Treaty): 42.7m EUA in 1976 and 36.4 EUA in 1977.

Social Measures

1. Readaptation aid under Article 56(2) of the ECSC Treaty (non-repayable aid to promote the re-employment in the best possible conditions of workers affected by the cessation, reduction or transformation of their undertakings' activities):
 - tideover allowances covering the period of unemployment between dismissal and re-employment;
 - financing of retraining;
 - resettlement allowances;
 - grants to undertakings to enable them to continue paying workers temporarily laid off.

The provision of non-repayable readaptation aid is conditional on payment by the State concerned of a special contribution at least equal to the amount of aid, unless an exception is authorized by the Council acting by a two-thirds majority. Initially (until 1967), readaptation aid mainly involved the coal industry, but since 1977/78 it has largely gone to the iron and steel industry. The total amount of readaptation aid is expected to reach 60m EUA in 1978 (compared with 25m EUA in 1976 and 1977), including 44m EUA for the iron and steel industry.

2. Aid in the sphere of safety, hygiene and health protection at work. Three research programmes currently being carried out receive an annual contribution of about 3.3m EUA:
- pollution control in the iron and steel industry;
 - ergonomics in the iron and steel industry;
 - health of workers exposed to dust and gas emissions and subject to the effects of constant noise and heat.

Trends in employment in the ECSC iron and steel industry

	December 1975	October 1977	November 1977	December 1977	January 1978
Staff (*)					
Germany	212 869	203 655	203 109	200 805	200 656
France	155 553	147 672	146 147	144 539	144 390
Italy	96 104	88 435	88 199	87 966	87 624
Netherlands	25 325	23 162	22 967	22 740	22 456
Belgium	59 348	51 337	50 718	50 169	49 649
Luxembourg	22 176	17 512	17 219	17 161	16 982
United Kingdom	185 204	181 179	179 866	177 980	179 471
Ireland	680	708	708	704	703
Denmark	2 572	2 488	2 530	2 509	2 544
Total — EUR 9	759 831	716 148	711 463	704 573	704 475

	Redundancies				
Germany	298	575	254	669	845
France	(40)	510	1 291	690	239
Italy	(360)	221	612	586	214
Netherlands	113	350	213	242	238
Belgium	151	577	468	675	82
Luxembourg	6	8	3	6	4
United Kingdom	745	630	341	607	515
Ireland	30	3	1	4	1
Denmark	4	—	—	—	—
Total — EUR 9	1 747	2 874	3 183	3 479	2 138

	Affected by short-time working				
Germany	91 635	41 186	38 359	44 470	34 067
France	(86 000)	7 432	80 405	87 129	66 634
Italy	(10 300)	224	4 488	6 670	4 511
Netherlands	6 507	—	7 000	15 000	8 500
Belgium	24 452	16 477	11 470	18 791	14 851
Luxembourg	—	—	—	—	—
United Kingdom	4 056	35	50	297	20
Ireland	—	—	—	—	—
Denmark	50	352	—	—	—
Total — EUR 9	223 000	115 706	141 772	172 357	128 583

	Working-hours lost				
Germany	3 139 065	1 456 845	1 153 236	1 565 709	1 436 968
France	(2 288 000)	1 365 545	2 091 343	3 232 192	1 833 412
Italy	(232 000)	8 928	195 860	338 976	293 751
Netherlands	208 888	—	235 400	567 300	520 020
Belgium	1 331 976	1 066 664	563 408	960 224	695 304
Luxembourg	—	—	—	—	—
United Kingdom	82 726	1 600	2 000	18 400	1 280
Ireland	—	—	—	—	—
Denmark	1 500	39 653	—	—	—
Total — EUR 9	7 284 155	3 939 235	4 241 247	6 682 801	4 780 715

(*) = End of the month.
() = Partly estimated.

*Broadly speaking, the difference between these figures and those given in the body of the text is due to the fact that from October 1977 onwards they exclude apprentices without jobs.