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trade union information

TRADE UNION BULLETIN

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1. CONGRESS OF THE FNV IN AMSTERDAM, 18-20 DECEMBER 1978

The FNV (Dutch Trade Union Federation) held a congress in Amsterdam on 18-20 December 1978 under the motto "Werken aan Werk" (Getting to grips with the employment problem).

The FNV, which now has over 1 100 000 members, has been the trade union confederation of the Netherlands since 1 January 1976, grouping together the member unions of the NVV (Netherlands Federation of Trade Unions, NKV (Catholic Trade Union Federation), and the Dutch Association of Journalists.

Opening the Congress, the FNV President, Wim Kok, dealt with social and economic issues and proposals put forward by the FNV for solving current problems. He referred to the Congress as coming at a moment of transition between two stages in the life of the Dutch trade union movement.

The first, covering the period 1976 to 1978, saw the beginnings of collaboration between the NVV and NKV; in the second, from 1978-1981, preparations would be under way for the complete merging and unification of the NVV and NKV in time for the next Congress scheduled for the second half of 1981.

Speeches given by representatives of the ETUC (European Trade Union Confederation), ICFTU (International Confederation of Free Trade Unions) and WCL (World Confederation of Labour)

The President of the ETUC, Mr. H. O. Vetter, spoke of the industrial dispute in the German iron and steel industry, setting it in the European context of efforts to relieve unemployment and share out work by reductions in hours.

Mr J. Vanderveken, Deputy General Secretary of the ICFTU, and Mr J. Kulakowski, Secretary-General of the WCL, both emphasized the need to step up international cooperation within the trade union movement and more particularly between the ICFTU and the WCL.

They hoped that an agreement would soon be reached on the setting-up of international machinery for trade union action more in tune with the present-day needs of working people.

Speech by the representative of the Commission of the European Communities

The Congress was addressed by Mr Vredeling's Chef de cabinet, Mrs Nel Barendregt, standing in for the Commission Vice-President, who was detained in Brussels.

In her speech Mrs Barendregt stated that:

"Retirement at 60 instead of 65 would shorten the time people are at work by more than 10%. Lowering the retirement age is one of the most promising methods of reducing working time.

Early retirement age should first of all be introduced for heavy jobs and those done in difficult conditions, she said. The Commission had had a wide exchange of views on the practical proposal put forward by the ETUC before the Tripartite Conference of 9 November last for cutting hours by 10% in four years."

She said that since 1960 working time had been reduced at the rate of 1% per year. If that trend continued from 1978 to 1982, then this on its own would mean a reduction of 4%.

"Clearly, if the Commission comes forward with proposals for work-sharing, the reduction in hours (per week or per year) achieved will be greater than the reduction which would have taken place anyway on the present trends. I cannot say exactly how big the reduction will be, though I partly go along with the figure of 10% over four years."

She recalled that at the Tripartite Conference the Ministers and the employers' representatives had not been at all forthcoming in reply to questions put by the trade unions. The results of the Conference had been somewhat disappointing; nevertheless, Mrs Barendregt thought it a positive sign that the strategy proposed by the Commission, involving among other things practical steps towards work-sharing, had been approved.

Referring to ways of improving the working procedures for the Tripartite Conference, Mrs Barendregt suggested that in future the Commission might negotiate with two sides of industry on issues to which they attached importance. The ministers, too, would have to be given an opportunity of making known their position. "The participants in the Tripartite Conference would have to negotiate seriously on certain proposals before the Conference itself. Conceivably, the Conference could reach European outline agreements, with the details being filled in afterwards in national collective bargaining," she said.

Mrs Barendregt also criticized the attitude adopted by the Council of Ministers on the admission of Greece to the Community, saying "whereas the Commission's view was that free movement of workers should be introduced gradually over a period of time, the Council has decided it can only be introduced after the eight-year transitional period. This means that during this time labour mobility will have to be held back instead of being introduced step by step. The Council has also taken a position different from that of the Commission over equality of treatment in matters of social security. If the Council's position is accepted, it will mean that a Greek and an Italian both working in the Community and with children living at home with their mother in Greece or Italy will receive different family allowances. The Commission thinks this would be utterly wrong, because it would constitute blatant discrimination in conditions of employment against the Greeks who, after all, once they join will become full members of the Community. There are likely to be great difficulties next week in the Greek entry negotiations, which are supposed to be completed by Christmas."

On the economic and social situation in the Community, Mrs Barendregt said that social tensions were growing. She noted that the number of registered unemployed in the Nine had risen from 3 million in 1974 to 6 million in 1977, and had remained at this level for a year. In addition, there was a very large number of unregistered unemployed, chiefly among school-leavers, married women and the disabled. The total number of jobless in the Community was probably not much below 9 million.

She stressed that economic and social problems were very similar in all the Community countries and only European solutions could solve them. "This European approach to our problems cannot be brought about through a multiplicity of bilateral trade and cooperation agreements, but only through an organization dealing with economic, social and monetary issues in an institutionalized framework."

DECISIONS REACHED BY THE CONGRESS

European issues

The Congress adopted a resolution headed "The challenge of the coming years", part of which reads as follows:

"Unemployment and other social and economic problems are international phenomena. Because of the interdependence of the national economies, lasting solutions will be achieved only through cooperation between the countries, taking into account the interests of the developing world.

The impossibility of controlling multinational companies is preventing an effective international approach. In collaboration with the international trade union organizations, the FNV will endeavour to bring the activities of multinational companies under the control of internationally-agreed rules. The European Community can help to solve the problems if it is strengthened by the democratization of its decision-making procedures. The reshaping of economic activity must be carried out primarily in the European Community framework."

General policy

In the years that lie ahead the problem of employment will remain the central issue. In arriving at a fairer distribution of work in both quantitative and qualitative terms, account will need to be taken of the current debate on the "value of labour".

Development and enlargement of the FNV

- The Congress directed the FNV Executive Committee to prepare a decision for the merger of the NVV and NKV in time for the next Congress. The launching date of the new trade union body could be 1 January 1982.

- Establishment in the FNV of a department dealing with the trade union movement and changing lifestyles.
- Establishment of a youth department in the FNV.
- Amalgamation in the FNV of all work previously carried on separately by the NVV and NKV in the fields of education, trade union training and education, and publicity.

2. COMMISSIONER DAVIGNON SPEAKS ON INDUSTRIAL POLICY TO THE CENTRE D'ETUDE ET DE REFLEXION DES DIRIGEANTS (CERDI - MANAGEMENT STUDY AND CONFERENCE CENTRE) AT THE MAISON DE L'AMERIQUE LATINE IN PARIS ON 29 JANUARY 1979

- 1) In the last few years a number of developments have taken place in international trade which have upset the trends of previous years.

A general contraction in world trade has set in after the long period of rapid growth in trade seen during the 1960s and the beginning of the 1970s.⁽¹⁾

This change, directly related to the recession in the developed countries, coincides with a halt in the trend - becoming increasingly marked as years went on - towards a concentration of world trade among the industrialized countries.

Since 1974 we have witnessed the emergence of the OPEC markets. The rapidly expanding imports of the OPEC countries are now helping to sustain world demand for manufactured products, particularly capital goods; this demand is weak in the developed countries, which have been faced with a sectoral and geographical shift in their export patterns - a process still under way in some cases.

At the same time, a number of developing countries with certain industries producing largely for export to the markets of the developed countries (consumer goods and low value-added capital goods) are increasingly making themselves felt, causing disquiet and protectionist reactions in the industrial countries, which are struggling simultaneously against recession and rising unemployment.

This phenomenon should not, however, obscure the fact that, overall, the share of (non-oil) developing countries in total exports of manufactures has fallen steadily since 1974, and that even in the sectors in which they are missing a market foothold, they are not regaining the share of world trade they held in the mid-1960s.

- 2) For the Community, whose prosperity is highly dependent on the state of world trade, the mutation in its international environment has created a number of problems.

(1) Increase in value of exports from EEC between 1960 and 1973: 12.2% per year.

Highly dependent on the growth of its exports of manufactures, especially capital goods, to pay for its energy and raw material imports, the Community is facing stiffer competition from other industrial countries on markets which are growing only slowly or stagnating; particular problems are the resurgence of American exports and increased pressure from Japan.

Since its export patterns are mainly oriented towards the developed countries, chiefly in Europe and around the Mediterranean, the shift of demand towards the OPEC zone has presented the Community - like its major partners - with the problem of re-aligning its export networks.

Finally, the Community has special links with a considerable number of developing countries, representing a vast potential source of demand. It is hence in its interest to step up its search for ways of increasing the participation of all these countries in world trade. It ought also to keep up pressure on the other industrialized countries - notably the USA and Japan - to do likewise.

- 3) On top of these rapid changes in the pattern of international trade has come a shift in comparative production costs.

Since 1970 this trend too has been to the disadvantage of European industry.⁽¹⁾

This is mainly due to:

- the fact that wage costs have risen faster in Europe than elsewhere;
- the rise in raw materials and energy prices;
- the rise in the cost of finance up to 1975.

The significance of these handicaps varies between Member States.

- 4) The only response to this shift in comparative costs that is at once dynamic and not liable to provoke conflict with the outside world is industrial redeployment within the Community.

Industrial redeployment does not mean forcing industries to move away or passively accepting the choices of outside locations which companies decide. It consists in a group of measures concerned particularly with:

- raising productivity, in conjunction with the revival of investment;
- energy policy (energy saving, new forms of energy);
- a social consensus whereby it is possible to assign a sufficient proportion of value added to investment and research.

(1) Between 1970 and 1976 the gross value added per employee rose in the EEC by 26.6% and in the USA by only 17.5% (though in the latter's case the starting level was higher). However, pay increased by only 57% in the USA, compared with 124% in the EEC. As a result, average production costs in the EEC are 17% higher than in the USA and 30% higher than in Japan.

The motor of this redeployment, which also controls the recovery, is investment. But the only support for gross fixed capital formation in Europe today is public investment, which is only a palliative.

Public investment is useful because, like all investment, it generates income and maintains overall demand. It is necessary in places where public services and infrastructure represent genuine priority needs, as for example in the less-developed areas. It is obviously preferable to non-investment in the present climate of under-employment.

But public investment is not enough. A revival of private investment is today a matter of priority to guarantee the maintenance and, a fortiori, the expansion of the overall level of productivity and hence of employment opportunities and prosperity. The inevitable disinvestment in declining industries must be compensated by adequate investment in expanding sectors.

This is the background to the setting up in France of the special industrial adaptation fund to stimulate and encourage private investment.

There is no significant factor today which justifies the virtual stagnation of private investment in industrialized countries. Medium-term growth prospects exist. They rest largely on the expansion of under-developed regions, first in Europe - charity begins at home! - and then in the third world. The extension of technology to certain regions in accordance with their potential, the increase in effective demand stemming both from the improvement in the standard of living and the aid given by the more advanced regions, and finally the growing urbanization of the population, all these are factors making for expansion.

Within our societies, too, significant growth points exist in the shape of new wants related to the change in relative prices (energy saving, new sources of energy, recycling of waste) or to expectations in regard to the quality of life. Then we have the field of technological innovation, mainly in telecommunications, data processing and electronic components, whose extent is not yet fully explored.

Why, then, are industrialists so chary of the necessary investment?

The main explanation seems to lie in the uncertainty clouding the business horizon which leads firms to postpone decisions on, for them, large investments.

This is widely accompanied by a technical underutilization of plant, which affords little incentive to renew that plant and slowly leads to relative obsolescence of the productive apparatus.

There is no question, finally, that the same uncertainties also hamper the implementation of big industrial projects involving large sums of money and often with long maturity dates. This type of large-scale investment, which has a long time lag before it shows a return, is crucial for the future of our societies. It includes, for example, major research projects, mining investment in raw materials-producing developing countries and energy investment.

These uncertainties relate to several critical factors in investment decisions:

- future financial costs and taxation, which are affected by the development of counter-cyclical policies (the problem of stop-go type measures to control inflation or unemployment);
- instability of exchange rates and exchange controls;
- environmental and consumer legislation;
- future wage costs, depending on the success or failure of a pay policy;
- the cost of energy.

- 5) The role of the public authorities is clearly to reduce uncertainties of a political nature.

Many of these uncertainties can now only be removed at a European level, more often than not in a framework of international cooperation sometimes involving the industrialized countries (Western summits, Trilateral Commission, OECD) and sometimes the third world (Lomé II, UNCTAD, United Nations Committee on Economic Issues).

Reduction of such uncertainties requires greater solidarity among the members of the Community; there is no alternative, either political or economic.

The recent conclusions of the European Council in the monetary field are a step towards such solidarity, in moving towards Economic and Monetary Union.

Without being over-optimistic, one can say that these decisions serve both the economic aim, namely less uncertainty, and the political aim, namely to move forward along the highroad of European integration.

Having identified the problem, we must now start to act. We cannot tell you what to do from Brussels. But if we talk to one another frankly, not as negotiators, we can see how the existing or now-evolving instruments of the Community can be applied to the reality you have to face.

It is clear that the adjustments required by industrial redeployment are of such a magnitude that the market is not always able to effect them within the necessary time scale and at a social and financial cost individuals can bear. The result is that in each Member State a battery of interventionist, defensive measures have sprung up, which inevitably lead to fragmentation of the market and protectionism.

Hence, the alternative is not between a market economy and a Community industrial policy. It is between a collection of diverse and conflicting Government measures, and Community-level coordination of such measures, in accordance with the market economy approach taken in the Rome Treaty.

Community action in the industrial sphere has three characteristics which make it preferable to national action:

- (a) It is the only one consistent with the unity of the market, which in turn is a condition for opening up that market to the outside;
 - (b) only a Community-level industrial policy ensures efficiency in cases where the thresholds of economies of scale are very high, either because of the magnitude of the resources involved or the risk element;
 - (c) it alone can ensure that a distinction is maintained between economic operators (public or private) and political decision-making, which are becoming increasingly intertwined in the nationalized sectors of Member States.
- 6) This Community action in the industrial sphere follows three main lines:
- achievement of a single internal market
 - restructuring traditional industries
 - tapping potential for growth.

Construction of a real Continental-European market within which goods and factors of production move freely.

The crisis has highlighted the worth of this objective, in that a large market strongly cushions industry against the effects of the crisis. But such a market is far from becoming a reality, although it may already show up in the figures (intra-Community trade, which accounted for only 48.5% of total trade in 1974, by 1977 accounted for 50%).

Apart from its monetary compartmentalization, the increasing intervention in the economy by Member States has led to the appearance of a wide variety of barriers to trade and restrictions on the location of factors of production.

The Community is paying particular attention to gradually removing all these barriers through its policy aimed at aligning legislation and its competition policy.

By establishing, in the Community, rules of competition directly applicable to firms it has been possible to remove most of the barriers the firms themselves had created to protect their market.

The most serious, and for some years most worrying, barriers stem from technical obstacles and taxation. This is a rather obscure aspect of the Community's work, but its importance must not be underestimated. It has so far resulted in the adoption, in the field of industrial products alone, of nearly 130 Directives, which have established a body of common rules for the manufacture of automobile components and electrical equipment.

However, this success still appears modest when, seen against all the barriers that still exist or are emerging. The Commission is therefore stepping up this work.

Alongside this, we need to continue the work on European company law. Here interesting developments are going on at the present time with the submission of Commission proposals for Directives, mainly on the problems of industrial groups.

This work to strengthen the unity of the Community market is essentially an exercise of denationalization and "destatalization". It aims to create conditions of competition based solely on firms' competitiveness by removing distortions of a political nature. Thus, paradoxically, Community industrial policy is first and foremost an instrument of the market economy, in the same way as its competition policy.

- 7) Generally speaking, the Commission takes the view that the authorities' action should be oriented to a much greater extent to improving industry's economic environment rather than to specific industrial aid. As always it is in the first place industry which has to meet the challenges arising from the radical change in the conditions in which European industry henceforth has to operate.

Nevertheless, in certain cases this general approach will have to be supplemented by intervention in individual industries, either in the form of support for the restructuring of industries severely affected by the new international division of labour, or in the form of action to stimulate growth points.

Such specific industrial measures must be coupled with precise objectives for output and productivity, reflecting both the share of the market it is wished to keep for supply by the Community and the conditions of competitiveness in which suppliers must operate.

These restructuring operations, for which the Community simultaneously provides a framework for internal coordination, a negotiated trade setting and financial support based on solidarity, are not designed by technocrats cut off from the realities of industry. In no case is the discussion confined to the industry, but always involves the users and the trade unions as well.

Experience shows that restructuring plans are easier to carry out if they are based from the outset on an agreed diagnosis. This factual basis takes the steam out of the ideological arguments which in other bodies can paralyze discussion between the interested parties. The production and productivity objectives must be pursued as a coordinated exercise by the Member States and the Community, based on a consensus of all those involved. Thanks to such a consensus, the Community has a genuine steel policy, and it is attempting to reach a similar consensus on comprehensive measures in the shipbuilding and textile sectors.

The Community possesses financial instruments of its own with which to attain the objectives it has set itself. These can be used to grant loans and interest rate subsidies, enabling firms lagging behind to catch up and at the same time curbing inflationary pressure.

However, the economic crisis and the associated fall in investment have raised very serious problems regarding the capacity to absorb Community aid - particularly for the poorer regions of the Community. It is urgently necessary that appropriate measures be adopted to avert the danger that the financial instruments will have a distributive effect contrary to that intended. It might be worthwhile introducing a specific Community scheme to support the search for investment opportunities and the preparation of suitable investment projects in the poorer regions, perhaps with multidisciplinary teams set up especially for this purpose.

Community action complements national measures. It is therefore evident that decisions on the former depend on the transparency of the latter.

The Treaties assigned to the Commission the task of monitoring the form, degree and objectives of public intervention. In this connection you will recall the reports the Commission has made to the Council, particularly those dealing with aid policies to ailing industries.

It would be desirable for the national authorities and the Commission to collaborate closely in this area, especially during preparation of plans for any of these industries, which in the past has not always been the case. Such collaboration would not only make much easier the subsequent approval of plans by the Commission, but would also allow an early comparison of the economic and industrial evaluations which they involve.

To give an example, in the exercise of its responsibilities for supervising State aids, the Commission had to give a ruling on French aids to the steel and shipbuilding industries. Thanks to the contacts that were established between the French and Community authorities, it was possible to make the intervention plans compatible with Community objectives - and, indeed, further those objectives.

- 8) Nothing of what we have just said answers the basic question everyone is asking; namely where, when and how will a decisive breakthrough be made towards a more satisfactory employment situation? For obvious reasons, the Community cannot allow itself to be reduced to acting as a hospital for ailing industries.

As the whole aim of its activity is to promote conversion in regions affected by the restructuring of traditional industries, the Community has to act as a motor for development where scope for it exists.

This was the idea behind the Commission's move in putting a paper on growth industries before the European Council, to serve as a basis for Community action in all industries in which there is real scope for expansion.

It is becoming increasingly clear that the structural adaptation of industry will not bring an improvement in the employment situation - indeed, the reverse, is likely. This prediction is now being confirmed by the specialized press, but it has been known for some time: the statistics show that since 1970 new jobs have been created in the Community only in the services sector, a trend which became apparent long ago in the United States.

This does not mean we do not need to set up new industries in non-industrialized parts of the Community; creation of an industrial base is essential for the development of these areas.

We are aware of the pitfalls of bringing industrialization to unprepared ground: this has been clearly demonstrated by past experience.

Which branches of the services sector, then, could become sources of employment?

First of all there are the services directly linked to production, which develop further and better, the healthier and more dynamic is the productive system.

Then there are the public services, which are particularly needed in the education and training fields. Owing to the structural adaptation measures and also to the partial switch of employment towards the tertiary sector, the pattern of industry at the end of the recession will look very different from what it was before; this raises considerable problems of training and retraining, of which signs are already appearing in the current shortage of certain types of worker (electronics and data processing specialists, specialized mechanics).

CONCLUSION

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There is no panacea or miracle cure to solve all these problems.

The contribution the Commission can make is to devise methods for:

- objectively diagnosing situations;
- identifying the real needs of our society (here the contribution of governments and the two sides of industry is essential);
- jointly seeking solutions which cannot be found at national level.

3. MEETING OF THE EXECUTIVE COMMITTEE OF THE ETUC IN BRUSSELS ON 15 AND 16 JANUARY 1979

The ETUC Executive Committee meeting on 15 and 16 January 1979 in Brussels was almost entirely devoted to preparations for the ETUC Congress to be held during May in Munich.

The draft action programme proposed by the ad hoc group was the subject of a preliminary, in-depth discussion as a result of which the group should be able to complete its work at the meeting to be held on 6 February in Luxembourg and submit its final version of the draft action programme to the next meeting of the Executive Committee.

The Executive Committee also dealt with the following subjects:

West European tripartite conference

Despite the fact that the Norwegian government was no longer in a position to organize the West European tripartite conference, the Executive Committee once again stressed the importance it attached to this conference. The Secretariat was instructed to consider all the possibilities for making representations to the competent organs of the Council of Europe with a view to ensuring that the tripartite conference would still be held in the near future.

Meeting between ETUC representatives and the President of the European Council

G. Debunne, Vice-President of the ETUC, informed the Executive Committee of the results of the discussion between an ETUC delegation and Chancellor H. Schmidt (current President of the European Council). The main points in this discussion were:

- (a) the ETUC's disappointment at the results of the last Tripartite Conference;
- (b) unemployment problems and the need to reduce working hours throughout the economy;
- (c) the need to establish a stable European monetary system which would not impede the restoration of full employment.

Results of the last Tripartite Conference

Dissatisfaction at the results of the last Tripartite Conference was an additional reason for the ETUC to revise its methods of influencing decision-making at all levels as rapidly as possible.

With this in mind, the Executive Committee discussed a number of proposals submitted by the Secretariat regarding ways of furthering the ETUC's objectives at the level of the EEC, EFTA, the Council of Europe, etc. These proposals will enable the Confederation to revise its methods of influencing decision-making in accordance with its action programme for the forthcoming years.

Coordination of Community funds

In February 1977, the Commission created a task force under the direct authority of Commissioner Giolitti to coordinate the activities of the various Community financial instruments (European Investment Bank, European Agricultural Guidance and Guarantee Fund, European Regional Development Fund, European Social Fund). The Executive Committee adopted a statement on the coordination of these activities containing a number of suggestions for improvements (see Annex I).

EEC/EFTA cooperation

The Executive Committee declared itself in favour of improved cooperation in Europe between the EEC and EFTA (see Annex II).

Next ETUC Congress

In order to ensure that preparations for the next Congress were carried out under the best possible conditions, it was decided to hold an additional Executive Committee meeting on 30 March devoted entirely to the discussion of proposals for amendments to the Constitution of the Confederation.

(See Annexes I and II)

COORDINATION OF THE ACTIVITIES OF THE FINANCIAL INSTRUMENTS OF THE EUROPEAN COMMUNITIES

In its Memorandum of February 1977 on regional policy in the European Community, the European Trade Union Confederation stressed the importance of coordination of the financial instruments of the Community: the European Agricultural Guidance and Guarantee Funds, the European Investment Bank (including Community loans), the European Regional Development Fund, the European Social Fund and aid under Article 56 of the ECSC Treaty.

In the past few years, which have been marked by symptoms of economic crisis and a high unemployment rate, it has become increasingly evident from practical experience of the way the various financial instruments of the Community operate that coordination could help to remedy the deficiencies which have been observed.

All parties concerned now fully realize the necessity of using all the financial and technical resources available as effectively and rationally as possible in order to make the maximum contribution towards a structural policy covering the whole of the Community.

The aim must be both to eliminate the economic and social disparities within the Community (as provided expressly in the Preamble to the Treaty of Rome) and to carry through a **continuous process** structural adjustment and improvement in the individual branches of the economy (including agriculture) with a view to improving the employment situation in general.

The European Trade Union Confederation regards the establishment of a 'task force' under the authority of the Member of the Commission responsible for regional policy in the Community as a significant step forward. This task force has the potential to become an effective instrument for the coordination of Community funds and to play a major role in a Community structural employment policy, thus helping to create new jobs in all the Member States.

The following principles should be observed in the development of coordination by the task force:

- There is a direct link between the volume of resources available and the need for coordination. Increased resources demand tighter coordination in the allocation of funds and necessitate the transfer of certain decision-making powers to the coordinating bodies.
- A prerequisite for effective coordination in policy terms is that the utilization of funds be planned at Community level within the framework of a structural employment policy.
- The task of monitoring the coordination of Community funds should be entrusted to the European Parliament.

Above and beyond this, however, the coordination of Community funds will only really be worthwhile if all the Member States are also prepared to coordinate broadly the substance of those national policies likely to interact with a Community structural employment policy (e.g. regional policy, agricultural policy, sectoral policy).

It should not be imagined that the need to coordinate policy and methods at Community level is a consequence of the economic crisis. On the contrary, coordination in the planning and implementation of structural policies (of which the coordination of Community funds forms one aspect) is essential at all times for the attainment of overall goals relating to the whole of society and the economy.

The ETUC is of the opinion that the task of coordinating the activities of the financial instruments of the Community should be given priority over the next few years. The Commission should consider the questions of a structural policy for the Community and the future work of the task force and make its views known as soon as possible. In this context, the European Trade Union Confederation would put forward the following suggestions:

- 1) The coordination of Community funds must not be regarded as an exclusively administrative task. On the contrary, this coordination must be developed into an instrument of long-term structural policy which will combine resources from several funds for specific purposes. Past experience has shown that it is urgently necessary to use all the financial resources which the Community has at its disposal in coordination for specific objectives. This is the only way to cope with structural adjustments in the various branches of the economy and in particular to reduce the disparities between the regions, which have been intensifying over the past twenty years. Discussions should be held with a view to agreeing on the conception and substance of a long-term structural policy for the Community. The Commission should have a study carried out with this in mind.
- 2) The coordination of Community funds has the potential to make a considerable contribution towards structural and employment policy in the Community, provided the autonomy of the individual financial instruments can be relaxed in such a way that the existing administrative structures present no obstacle to operational planning and cooperation. In the longer term, consideration might be given to the possibility of setting up an administrative unit within the Commission to deal with overall structural policy in the Community and coordinate the various other policies (regional policy, sectoral policy, environmental policy) with a view to ensuring that they promote structural improvements. An important precondition for this, however, is success in coordinating the policies of the individual Member States.
- 3) It is vital for the coordination of Community funds that new and better ways be found of utilizing the currently limited resources. The successful outcome of coordination must be evident to everyone and it would therefore be desirable to make provision for monitoring all results. Coordination should, moreover, be extended in parallel with the growth of the resources at the disposal of the individual financial instruments.

- 4) An effective and coherent structural employment policy must be planned on a long-term basis and presupposes a willingness on the part of the Member States to increase the financial resources available to the Community. Since the aim of such a policy is to find solutions to problems which cannot be handled at national level alone, the Community must be in a position to use a proportion of the funds for Community action. The approval of the Member States is, of course, essential here, since Community action in the field of structural policy can only ever be of a complementary nature.
- 5) The trade unions must be able to bring their influence to bear at Community level on the planning and implementation of a Community structural policy. The same applies both to the operations of the individual financial instruments to be coordinated and to the coordination process itself if, as has been suggested, it is to involve more than purely administrative consultations. The European Investment Bank is particularly important in this connection, since its role will grow with the administration of Community loans. This is yet another reason for granting workers and their trade unions representation on the EIB's Board of Directors.
- 6) In its present form, the task force set up at the Commission in February 1977 for the coordination of Community funds cannot develop into an effective instrument for structural planning. This task force must be given the authority to plan and draw up proposals if it is to become a real aid to Community structural policy.

ANNEX II

BETTER COOPERATION IN EUROPE (Document approved by the Executive Committee
----- at its meeting of 15 and 16 January)

The Executive Committee of the ETUC recently set up a working party with the assignment of investigating how cooperation between the Communities and EFTA could be improved. This working party held its first meeting in Brussels on 7 and 8 November.

It very soon transpired from the discussion that the problem under investigation had very important political implications and was in fact central to the whole question of international action in Europe.

At the moment we are faced with two international institutions which are fundamentally different in nature.

The Communities have some political power, whereas EFTA is an association with no real political power.

The essential task of the ETUC, composed as it is of the principal national trade union confederations in Western Europe, is to carry out union action to further the interests of the workers, untrammelled by the limitations of existing institutions. This does not, however, imply that we should not use these institutions to further our demands.

There is a consensus of opinion amongst the members of the working party on the fact that problems are becoming increasingly interdependent and that decisions taken either at national level or at the level of a European institution have undeniable repercussions on the situation in the other countries of Europe.

Without wishing to make a political judgment on the existing institutions, we feel that better cooperation in Western Europe is essential if we want to achieve uniform improvements in the condition of working people.

Although the Communities do at present maintain relations with EFTA in connection with specific matters, this is hardly sufficient for any harmonization of policies. Moreover, since the institutions differ in nature, agreements between them are not possible, although bilateral agreements can be concluded between the Communities and the individual member countries of EFTA.

This by no means precludes negotiations on a common basis, but as far as EFTA is concerned such negotiations can only concern free trade.

There have been regular contacts between the EFTA Consultative Committee and the External Relations Section of the Economic and Social Committee of the Communities for several years now. Although such relations are important for better understanding, they are by no means sufficient, since they carry very little weight in the decision-making process.

Taking these facts as a basis, the working party endeavoured to define a number of fields in which better cooperation would seem essential from the trade union point of view.

These are (in no particular order of importance):

- efforts to restore full employment
- definition of economic objectives and policies
- monetary issues
- harmonization of statistics
- technology and industrial policy
- environment
- energy problems
- democratization of the economy (multinational companies)
- social problems: income guarantees, social protection, working conditions.

Methods

The working party very soon came to the conclusion that there would be relatively little point in attempting to put forward highly specific proposals regarding the methods to be employed, since the institutional set-ups differ so widely that it is difficult to prescribe a single, universally applicable solution.

We therefore confined to pinpointing several principles which merit further investigation:

- systematic exchanges of information between decision-makers before decisions are actually taken;
- periodical consultation between the European Communities and EFTA in all the fields listed above;
- regular discussions at European level between governments (European institutions?), employers and trade unions.

Consideration was also given to the possibility of using the Council of Europe as a forum for the exchange of views.

Conclusions

The Executive Committee is requested to state its opinion on the approach set out by the working party. The members of the Executive Committee are also asked to state whether they consider the fields listed in this paper to be sufficient or whether the scope of the problems is too wide.

Finally, if the Executive Committee approves the principles developed in this paper, the working party would like to make more concrete proposals on the methods to be employed at a later meeting of the Executive Committee.

4. ETUC YOUTH CONFERENCE IN VIENNA, 13-15 DECEMBER 1978

Around a hundred participants from 17 countries, representing 27 ETUC affiliated organizations, attended the second ETUC Youth Conference, held in Vienna from 13 to 15 December 1978.

In his opening speech, Chancellor Kreisky stressed the importance that young people must attach both to the problem of youth unemployment and to the problems linked with the resurgence of various kinds of totalitarianism.

For his part, the President of the ETUC, H. O. Vetter, stressed that the present crisis was due to structural causes which demanded a high degree of mobility on the part of workers. It should, he said, be possible to create jobs through intelligent social-oriented investments - jobs which would help protect the environment, benefit children and young people through improvements in training, halt the degeneration of our cities into wastelands and improve the housing, services and public transport situation.

Mr. Vetter pleaded for the right of all young people to training and work, not merely as a means of earning a living but as an essential requirement for the fulfilment of the individual.

Mr. Hinterscheid, General Secretary of the ETUC, called for the Youth Group's work to be integrated more satisfactorily with the activities of the ETUC as a whole. He stressed the importance he attached to the work already carried out by the Group with regard to employment and vocational training for young people. He also stressed the fact that, through its work, the Group had found its rightful place within the trade union movement.

Among its guests, the Conference welcomed representatives of the European Communities, the Council of Europe (Youth Foundation and Youth Centre), the European Youth Forum and numerous other international youth organizations.

The Conference adopted three reports - on vocational training, youth employment and trade union training - which reflect the positions adopted at seminars, study sessions and formal meetings.

The action programme, which has yet to be finalized, concentrates mainly on these same three themes for the next two years, though it also allows for activities in other fields.

The Conference also adopted standing orders modifying the structure laid down by the First Conference in Düsseldorf.

5. METALWORKERS' UNIONS EUROPEAN ACTION DAY FOR THE SAFEGUARDING OF JOBS IN THE SHIPBUILDING AND SHIP REPAIRING INDUSTRY, ON 15 DECEMBER 1978

In the face of the structural and cyclical crisis now affecting the shipbuilding industry, the European Metalworkers' Federation in the Community (EMF) held an action day in all the shipyards of Europe on 15 December 1978 in order to inform both workers and the public at large about their proposals for overcoming the crisis and safeguarding jobs.

A joint declaration by the metalworkers' unions was distributed in all shipbuilding and repair yards and there were numerous stoppages of work.

The EMF is calling for a Community strategy aimed at safeguarding and creating jobs in the coastal regions. The three main aspects of the proposed strategy are:

1. Greater diversification of shipyard production, particularly into related areas such as the development of maritime technology.
2. The immediate implementation of measures to improve ship safety (segregated ballast tanks, reinforced outer shells, dual control and radar systems, a reduction in the size of holds, restrictions on the size of oil tankers, scrapping of old ships which no longer meet the required standards and the banning from European ports of ships which do not respect safety and environmental protection rules or fail to provide the minimum acceptable conditions for their crews).
3. The preparation without delay of accompanying social measures along the same lines as those provided for in Article 56 of the ECSC Treaty (e.g. reductions in working time, optional early retirement, compensatory time off for overtime, vocational training).

The EMF believes that the rapid implementation of measures to improve ship safety - even if only at European level to start with - would make a valuable contribution to: (i) protecting the environment, (ii) safeguarding jobs and (iii) shortening the crisis.

Such measures would, the Federation argues, enable the present level of employment to be maintained in shipbuilding and might even lead to an increase in the number of jobs in ship repairing.

The metalworkers' unions are therefore calling on the Governments of Europe to ratify immediately the international conventions adopted in IMCO.

6. ETUC CONSUMER PROGRAMME

At a press conference given on 1 February, the European Trade Union Confederation presented its programme for the defence of worker-consumers against the all too common infringements upon their interests. The document is the joint work of the ETUC's 31 member confederations.

A major publicity campaign for the programme is now to be mounted in the run-up to the European Parliament elections. This will give candidates the opportunity to declare where they stand on consumer issues, so that consumers will be properly informed when they vote.

The programme, which was already published in Trade Union Bulletin No 1/78, pages 12-17, seeks to get to grips with the situations causing the problems.

It thus advocates democratic planning of production and distribution.

It places emphasis on maintenance of purchasing power, particularly through price controls, and a return to greater durability in consumer goods. Finally, it seeks to end abuses in advertising through the introduction of strict rules on advertising practices.

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