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trade union information

TRADE UNION BULLETIN

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TRADE UNIONS AND OTHER PRIORITY MILIEUX

C O N T E N T S

1. Extracts from the address by the Commission President Mr Jenkins to the European Parliament in Luxembourg on 13 February 1979 .
2. Talks between the trade unions and the European authorities
 - Commission Vice-President Mr Vredeling meets an ETUC delegation in Brussels on 28 February 1979
 - European trade unionists meet Commissioner Claude Cheysson
 - Meeting of ETUC with President Giscard d'Estaing
3. Commissioner Davignon and Vice-President Vredeling meet representatives of French trade unions
4. The state of the European steel industry
5. Trade union conference on big cities in Frankfurt, 17-19 January 1979
6. Opinion of the European Trade Union Committee of Food and Allied Workers (ETUCF)
7. Briefing session on regional policy in Marseilles, 1-2 March 1979
8. ETUC delegation meets the French Minister of Labour, Mr Boulin
9. Creation of a European Public Service Committee

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1. EXTRACTS FROM THE ADDRESS BY THE COMMISSION PRESIDENT MR JENKINS TO THE EUROPEAN PARLIAMENT IN LUXEMBOURG ON 13 FEBRUARY

As is the case each year, the presentation of the General Report on the previous year's activities was the occasion for a speech by the President of the Commission outlining its programme for the year to come.

We summarize here the main points of this speech.

Mr Jenkins particularly stressed the theme of interdependence and the need to view the internal preoccupations of the Community against a background of developments in the world at large.

"Nevertheless as a Community we still face difficulties and dilemmas in our relations with both industrial and developing countries. These have been underlined in two vitally important international negotiations which are now coming to a conclusion. I refer to the Multilateral Trade Negotiations in Geneva and the negotiations in which the Community is engaged for a successor to the Lomé Convention.

The Community depends more on world trade than any of our major trading partners. To that extent we wish to see the international trading system strengthened and extended in scope. We have therefore welcomed the emphasis which has been placed in these negotiations on attacking the multiplicity of non-tariff barriers which obstruct the flow of trade. But we have also been bound to recognize that it is not enough to pull down barriers wherever we find them. We have to ensure that the trading system which we are constructing contains its own checks and balances. We must ensure, for example, that it takes fair account of the new phenomenon of the highly competitive low-cost producer who can now make a deep and rapid penetration into a particular market in a way that can almost wipe out our own domestic production.

This phenomenon is only an extreme manifestation of a wider problem of adjustment to which protection cannot ultimately be the answer. Over the past year the Community has found it necessary to take a number of measures to safeguard employment in certain industries such as textiles, steel and shipbuilding, which suffer acutely from over-capacity and excess labour, nearly always as a result of the growing ability of other producers outside the Community to produce these goods more cheaply. But these measures will only be acceptable to our trading partners if they are accompanied by active and responsible policies to adapt our economies to new circumstances. The Commission, which has had to take the lead in working out measures to provide a temporary shield for those industries which are under severe pressure, is fully conscious of the need, in the coming years, and at Community level, to shift the emphasis to the elaboration of that longer-term framework within which industrial change can take place as well as to the promotion of growth sectors.

This need for adjustment is one of the main elements underlying both the Multilateral Trade Negotiations and our own domestic industrial policies. It also concerns us in our negotiations for a new Convention with the countries of Africa, the Caribbean and the Pacific. It would make little sense to offer generous aid and trading benefits to these countries if we refused to prepare ourselves to accept an increasing volume of those products which newly-industrializing countries inevitably begin to produce

and sell. Although the Lomé Convention has only been in operation for some three years, I believe that the process of negotiating a new convention is in itself valuable in acquainting us with the aspirations of the ACP countries and in acquainting the ACP countries with the Community's political and economic difficulties. For its part, the Commission will do all it can to see that the negotiations are concluded in good time for ratification well before the expiry of the present convention."

The President reminded his audience of the importance of the European Monetary System and its potential impact on the economic problems of the Community, stressing the need for three main types of action to underpin the new system:

- action to accelerate the processes of convergence within the Community;
- more effective exploitation of the benefits of the existing Common Market so as to ensure a better balance of economic activity within the Community;
- action to deal with the special difficulties of less-prosperous Member States with a view to reducing economic disparities within the Community.

From the problems linked with the launching of the EMS Mr Jenkins went on to stress the importance attached by the Commission to action in two further areas:

Internal market: "It was once thought that with the creation of a common customs area, with unified rules for trade with third countries, internal barriers to trade would wither away. The reality has been different. Paperwork at intra-Community frontiers has not diminished. Formalities and procedures continue to vary from Member State to Member State. The Commission will be bringing forward this year a new five-year programme designed to establish the customs union on a more solid basis and to encourage a far freer flow of goods over our internal frontiers."

Energy: "On energy, we have recently had a vivid reminder of the fragility of the technology on which our way of life is based."

The Community's dependence on electricity, on oil, on coal, and on other energy supplies had, he said, been brought home to governments.

There was, in the Commission's view, an urgent need to recognize the Community's limited energy resources, the need to exploit new and additional means of supply, and the need to reduce energy consumption.

Prompt common action was needed, and one of the first aims must be to reduce the Community's dependence on imported energy from its present level of 58% to 50% by 1985. The Commission was ready to help coordinate national energy policies to avoid duplication and promote major research and development projects on a Community scale. Now was the time, he said, to prepare for the post-oil era.

Agriculture: Mr Jenkins did not believe that the Community's responsibilities in agriculture should decrease, but rather that its responsibilities in other sectors should increase, thus bringing about a better balance. The problem of surpluses had not, he said, been mastered and a rigorous price policy was therefore essential for as long as the market imbalances lasted. This meant a general freeze in the common prices for the coming season. "If the surpluses have put the budget under intolerable strain, then the monetary distortions in agriculture have, like the invisible worm, been gnawing at the heart of the Common Market. In order to restore fair competition and bring back normal conditions of trade, we must return to the unity of the agricultural market... As regards existing monetary compensatory amounts, we cannot do everything at once: but we could make substantial progress this year, and move towards elimination over a period of years. As regards future MCAs, the introduction of the EMS will mean greater monetary stability, and thus less risk of the creation of new MCAs."

Fisheries: "We shall continue to press for decisions on fisheries."

Turning to consumer protection and environment policy, the President stated that the Commission would continue to be active in these fields.

In conclusion, he stressed the need to adapt the Community's institutions in the light of the two major forthcoming developments, direct elections to the European Parliament and the enlargement of the Community.

2. TALKS BETWEEN THE TRADE UNIONS AND THE EUROPEAN AUTHORITIES

COMMISSION VICE-PRESIDENT MR VREDELING MEETS AN ETUC DELEGATION IN BRUSSELS ON 28 FEBRUARY 1979

An ETUC delegation composed of trade union leaders from the national confederations and led by ETUC President H.O. Vetter and General Secretary M. Hinterscheid was received by Mr Vredeling, Vice-President of the Commission of the European Communities.

The delegation again expressed the ETUC's profound disappointment with the results of the last Tripartite Conference and the employers' flat refusal to enter into any form of consultation whatsoever at European level. The delegation also stressed the importance of producing a legislative framework at European level for reducing working hours, as a key component of employment policy.

The ETUC spokesman stated that the onus rested with the Council to demonstrate its political will and ask the Commission to prepare the outline instrument, whose detailed application would be a matter for subsequent negotiation in each individual country and industry.

A clear sign of the Council of Ministers' political will to act on reducing working hours was essential to set going the negotiating and administrative machinery at the various levels.

The ETUC also told Mr Vredeling that it wished to meet the Commission shortly about matters requiring concerted action in the fields of several Commissioners or indeed of the Commission as a whole, such as the general revival of the economy, the role of the service and public sectors, the monetary system, foreign trade, development policy, the impact of these policies on employment in the Community, and ways of improving the preparation and organisation of bipartite and tripartite conferences.

The Confederation was eager to bring its influence to bear in the individual countries and at European level to help ensure the success of the forthcoming meeting of the Council of Labour and Social Affairs Ministers.

EUROPEAN TRADE UNIONISTS MEET MR CHEYSSON

An ETUC delegation met Mr Cheysson on 8 March 1979 to discuss the state of the negotiations on a successor to the ACP/EEC Lomé Convention.

The discussions, based on the EEC proposals in the negotiations and the trade union positions (ETUC submission of June last year, OATUU memorandum and statements by the ICFTU and WCL Executive Committees), covered a wide range of issues but centred on the participation of workers and their organizations in the framing of the new convention and the possible introduction of labour standards.

The trade union side restated its view that the Lomé Convention contained elements which could be the basis for new and better relationships between industrialized and developing countries. But this development could only be achieved if it enjoyed the support and active commitment of the broad population. The trade unions obviously had a very important role to play here.

The trade unions also expressed broad support for the Commission's ideas for incorporating international labour standards in certain parts of the convention. But it was stressed that the trade union proposals went further, particularly in their insistence that standards on freedom of association and trade union and collective bargaining rights should form the core of the provisions in this field.

MEETING OF ETUC WITH PRESIDENT GISCARD D'ESTAING

A delegation from the European Trade Union Confederation (H.O. Vetter, ETUC President and leader of the German DGB, M. Hinterscheid, ETUC General Secretary, E. Maire, General Secretary of the French CFDT, A. Bergeron, General Secretary of the French FO and ETUC Vice-President, and J. Rouzier, FO) was received at the Elysée Palace on Wednesday, 7 March 1979.

"The attempt, launched at the Bonn Summit, to work out a common strategy for tackling the effects of the crisis can hardly be termed a success," Mr Vetter said. The trade union delegation stressed the need to develop a Community strategy to revive the economy, on the lines started by the European Councils in Copenhagen, Bonn, and Brussels. This had to include strengthening of the Regional Fund and the other Community instruments.

The ETUC spokesman went on to say that the European trade unions were unanimously of the opinion that reduction of working hours was an important step towards safeguarding and creating jobs. The delegation reiterated the trade union demand for a European outline measure setting basic objectives for reduction of working hours, with the practical means of attaining those objectives left to individual countries and industries.

"We still consider the Tripartite Conferences to be an important instrument in working out a common policy," said the ETUC. "But our further participation in this body will depend on certain reforms, namely,

- Adequate political preparation, incorporating the results of discussions in the Standing Committee on Employment, which has an important role to play in preparing the Tripartite Conferences,
- The Council of Ministers must be represented as a single body, willing to undertake political commitments."

The ETUC also told the President that it hoped the European Council would respond favourably to the ETUC proposals for reforming the Economic and Social Committee.

Mr Giscard d'Estaing and the trade union representatives then proceeded to discuss the crucial points raised by the ETUC at length.

3. COMMISSIONER DAVIGNON AND VICE-PRESIDENT VREDELING MEET REPRESENTATIVES OF FRENCH TRADE UNIONS

On 14 February 1979, Commissioner E. Davignon and Commission Vice-President H. Vredeling met representatives of the French trade union groups CFDT, CGT, FO, CFTD and CGC, all of which have members in the steel industry.

Mr Vredeling gave an outline of the social features of the Community plan for restructuring the steel industry and Mr. Davignon reported on the progress made in implementing the plan, dwelling particularly on regional and social aspects (*).

A working group was set up to study the problems with all the relevant technical data before it, and the participants decided to meet again in the near future.

4. THE STATE OF THE COMMUNITY STEEL INDUSTRY

Whilst all industries have been affected by the recession in the world economy since 1975, the steel industry is certainly one of those which have been hardest hit.

(*) The trade unions in return voiced their concern and fears aroused by the Davignon plan.

From the immediate post-war years the iron and steel industry had experienced an unprecedented world-wide expansion, linked among other things to the reconstruction of the European economies, which had been destroyed between 1940 and 1945, and the advent of the consumer society.

Between 1946 and 1974 world steel production increased from 112 million tonnes to 708 million tonnes, a total output of 11 000 million tonnes over 25 years. There had seemed to be no limit to the expansion of the market, which showed all the features of a buyer's market, absorbing production as fast as it grew, in spite of some firms being only marginally viable, with outdated plant and poor management.

The Community long enjoyed a special position in the international market; its development was due not only to the growth of domestic demand but also to a very substantial flow of exports to traditionally purchasing countries.

Unlike the United States, which traditionally imported part of its requirements, production capacity in the Community far exceeded that needed for domestic consumption.

Exports provided a steady outlet for the surplus - though the added value content of steel products in relation to weight is relatively small.

Although passing recessions in 1954, 1958 and 1971 buffeted the industry and slowed production, output quickly recovered to its previous level. A few problems arose from 1970 onwards, such as the emergence of new producers and the appearance of mini-mills sited close to energy sources, but there were no signs of a sudden large fall in demand or a contraction of the market.

In 1975 a drastic reversal of the industry's fortunes took place

Since 1974, nothing has gone right in the steel industry. Prices are collapsing, output is falling, jobs are affected and exports and domestic consumption are in decline.

- Prices are collapsing. At the end of 1977 they had fallen to approximately 50% of the prices prevailing in 1974 (with variations according to product), leading many firms to sell at below their cost price, especially on foreign markets.
- Output, which stood at 155 million tonnes in 1974, had fallen to 126 million tonnes in 1977. About 60% of the drop in output was due to slackening demand resulting from the stagnation in the capital equipment sector, which accounts for 70% of the steel market; the motor vehicle and domestic electrical appliance industries, where the level of activity remained satisfactory, accounts for a mere 20% of the market.

During the second quarter of 1977 crude steel output in the EEC was almost 3 million tonnes less than in the best quarter of 1974. The upturn in the first half of 1976 turned out to be a flash in the pan and 1977 was again a very bad year.

In 1978 output in the first three quarters was 4% up on the same period in 1977, but still lower than that in 1974 (11.1 million tonnes over the first nine months compared with 12.9 million in 1974).

- Jobs have been very badly hit. Between December 1974 and June 1978 the steel industry workforce fell by 95 000. In the first two years 82.5% of the drop in the workforce was due to redundancies.

What caused the crisis?

The oil crisis, when oil prices quadrupled in the space of a few months, destroyed the momentum of economic growth. The 5% rate of growth to which we had been accustomed for two decades was cut by half in most western countries, and recession gripped most industries and checked investment.

The emergence of new producers like Japan competing with the Community on its traditional export markets severely challenged Community exports, which were then running at about one fifth of output. Also, the extremely fierce competition led to a sometimes suicidal lowering of prices on these markets.

United States steel imports are a striking example. In 1973 steel from the European Community accounted for 43% of imports, but in 1976 its share fell to 22%. In contrast, the share held by Japanese steel products rose over the same period from 37% to 56%.

This recession is a worldwide phenomenon affecting Europeans and Americans alike and even the Japanese. The fall in demand has led to the three main world producers operating way below capacity. At the end of 1977 Community steelmakers were working (with variations according to region) at 60% of capacity, American at 77% and Japanese at 74%. But the recession is also a structural phenomenon in that steel, at least in Europe, has probably ceased to be an expanding industry. The developing sector of the economy is tending more and more to lie in the service industries, which consume less steel products. Furthermore, the expanding steel markets are situated in the raw material producing countries, which are themselves engaged in industrialization.

Finally, the crisis highlighted the obsolescence of part of our steel industry, which did not show during the boom years, but has become critical now that there is no longer a buyer's but a seller's market.

What are the Community's objectives in this context?

The Community wishes to promote the restructuring of the steel industry to enable it to regain its position vis-à-vis its main competitors. But the restructuring must form part of an overall plan in which the European steel industry is considered as a whole, and the Commission must see to it that the national plans are consistent with general objectives which it has set for 1985 (output, consumption, etc.). Above all, it wishes to avoid Member States shortsightedly "going it alone", and increasing the danger of a new partitioning of the markets which in the medium and long term would be bad for all the Member States. The major objective is to gain a breathing space during which a phased restructuring can take place around the most efficient plants and concentrating on competitive products. During this period obsolete plant will gradually be replaced and present overcapacity reduced.

The whole steel policy centres around two principles: maintaining traditional trade links with the outside world and preserving solidarity among domestic producers.

To achieve these aims, the Commission has drawn up a comprehensive anti-crisis plan made up of three main parts:

- (a) an internal strategy involving the Commission intervening in the market by setting minimum prices and a scheme for voluntary limitation of deliveries, requiring self-discipline by producers.

"If market forces were simply allowed to operate," said Mr Davignon recently, "we could see a third of the Community steel industry disappear."

At the same time the Commission will try to persuade the Member States and industrial groups to adapt their restructuring programmes to the general steel objectives.

- (b) an external strategy; here the Commission has succeeded through negotiations with non-member countries in stabilizing trade at its traditional level and is closely monitoring our export prices and the level of imports.

- (c) Supporting measures

The Commission is convinced of the absolute necessity of accompanying the restructuring measures, whose net effect will be to reduce employment, with supporting measures to retrain and resettle workers who have lost their jobs and to create new jobs in growth industries.

5. TRADE UNION CONFERENCE ON BIG CITIES IN FRANKFURT, 17-19 JANUARY 1979

The ETUC, with the cooperation of the Trade Unions Division of the Commission of the European Communities, organized a conference on big cities in Frankfurt on 17-19 January 1979 to discuss the living and working conditions of workers living in big cities and hear about the work of the Commission on environment policy.

At the end of the conference the delegates approved the following statement:

"On the theme "Problems of workers in the big cities of western Europe", trade union representatives from Amsterdam, Brussels, Frankfurt, Copenhagen, Madrid, Milan and Paris, got together to discuss the matters they considered essential for an appreciation of the living and working conditions of workers in these big cities.

The delegates had before them two condensed reports; one dealing with the general situation of workers in big cities, the other containing the approaches and strategies put forward by the trade unions to combat the dangers to which the workers are exposed. A comparative analysis of the

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situation revealed the problems listed below, and also showed that the social problems of the respective countries tend to be concentrated in the cities. In other words, the situation of workers in big cities and conurbations reflects all the social contradictions that are characteristic of the countries concerned - although they are also similar from one country to another. The problems of workers living in big cities are always bound up with the general social and economic situation.

The list of problems and the catalogue of demands set out below are a tentative framework for a supranational, comprehensive trade union policy on the cities.

Problems faced by workers living in big cities

(a) Population and habitat

It is apparent in some big cities that the less privileged and socially weaker sections of the population are being driven to the outskirts. Another trend is that foreign workers in particular are forced to settle in the centres and other less attractive parts of the town, which can lead to the formation of ghettos. Social segregation in housing areas is continuing. This, in our opinion, is due to the pressure to derive the maximum profit from urban land (property speculation, high rents, etc...). The need of workers for better-quality housing within their means is being neglected.

(b) Employment problems

We note a tendency for the tertiary sector to grow at the expense of employment in the secondary (productive) sector. This development holds dangers for workers because it leads to a monostructure in the big cities. In the short term employment in the tertiary sector is also threatened as a result of new technological developments (rationalization).

(c) Short-distance public transport

So far transport policy has favoured private transport (the motor car) rather than extension of short-distance public transport systems. A policy geared to private transport is now hard to justify in big cities, where it causes increasingly serious damage to the environment. The longer and longer journey times in getting to work also add to the working day.

(d) Environmental pollution

The big cities are suffering major damage to their environment from noise, air and water pollution. Although most cities have legislation covering these matters, it is quite inadequate to control, let alone eliminate, these forms of pollution in a systematic manner.

(e) Education and training

Education and training do not present problems specific to big cities, as educational provision depends on the respective national legislation. However, although the big cities have a wide selection of training and educational institutions (schools, technical colleges, special schools, universities, etc.), these institutions are not equally accessible to all social classes. The reasons for this vary considerably from city to city; it may be because of financial factors or equally well because of the family and social environment.

(f) Leisure and culture

Workers fail to make wide use of cultural facilities. This is partly due to the effects of poor working conditions and partly because of lack of encouragement to make use of such facilities during schooling. Also, parks, sports and recreation centres and cultural facilities are in many cases inadequate, very often do not come up to workers' expectations or are not easily accessible by public transport.

(g) Health

Health care facilities are sufficiently widely available and care is partly provided by private health schemes, but preventive medicine generally leaves much to be desired, as do occupational medical services.

(h) Foreign workers

Foreigners account for a very large section of the population in big cities and this section is among the most disadvantaged.

(i) Social infrastructure

Social services, particularly children's day-care centres, nurseries, infant schools and care for the aged, are inadequate. This makes it particularly difficult for women to go out to work. The lack of social and cultural facilities is also a factor in the worsening problems involving young people, which can lead to conflict. The result is shown by the increasing rate of juvenile delinquency.

Demands

In response to the above list of problems, the trade unions put forward the following demands to improve the lot of workers living in the big cities:

- (a) The concentration of employment in the tertiary sector conceals a growing threat to workers in the medium term. We therefore call for a better spread of employment opportunities in the big cities, including provision for jobs in secondary industry. This objective to advance workers' interests should be pursued by means of democratic planning.
- (b) Factories and offices should be sited so as to reduce to a minimum the time workers require to travel to and from their place of work. These requirements should be taken into account in fiscal and subsidy policies.

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We note a tendency for the tertiary sector to grow at the expense of employment in the secondary (productive) sector. This development holds dangers for workers because it leads to a monostructure in the big cities. In the short term employment in the tertiary sector is also threatened as a result of new technological developments (rationalization).

(c) Short-distance public transport

So far transport policy has favoured private transport (the motor car) rather than extension of short-distance public transport systems. A policy geared to private transport is now hard to justify in big cities, where it causes increasingly serious damage to the environment. The longer and longer journey times in getting to work also add to the working day.

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The big cities are suffering major damage to their environment from noise, air and water pollution. Although most cities have legislation covering these matters, it is quite inadequate to control, let alone eliminate, these forms of pollution in a systematic manner.

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- (b) Factories and offices should be sited so as to reduce to a minimum the time workers require to travel to and from their place of work. These requirements should be taken into account in fiscal and subsidy policies.

- (c) Public authorities should be given precedence before private interests in acquiring land. For this purpose a rapid procedure needs to be instituted, especially for land required for open spaces, sports facilities, housing, factory building and other amenities for the workers.
- (d) The authorities will initially need to subsidize social housing for workers, both to maintain existing housing and for new house-building.
- (e) The level of workers' rents should be kept down by, among other things, rent control and public rent subsidies for the needy.
- (f) Cultural and leisure facilities must be expanded, particularly in existing working-class districts, but also in new districts with a predominantly working-class population, to ensure that the workers' needs are adequately catered for in both areas.
- (g) In transport policy absolute priority must be given to short-distance public transport. Better coordination between bus, tram, underground and railway services is required. This must be achieved through democratic planning, involving the trade unions. In short-distance transport the main criterion should not be profitability but the service to the travelling public. The public transport system must be extended to guarantee easy communication between places of work, residence and recreation.
- (h) Industry should participate in the cost of financing short-distance public transport.
- (i) Concessionary fares should be available on short-distance public transport for the young, old-age pensioners, the unemployed and other groups.
- (j) In the field of medical care, preventive medicine must be considerably extended and health care facilities expanded in areas poorly provided for.
- (k) Preference must be given, as a matter of principle, to "ecological" technologies rather than to production techniques and technologies which threaten or seriously damage the environment. To this end, international standards should be laid down which must be adhered to in all countries. The siting of industrial plant which is liable to pollute the environment should be subject to an approval procedure and production itself to an independent, democratic system of control.
- (l) Preference should also be given to transport systems not harmful to the environment.

Ways of achieving our demands

The trade unions should apply the results of the Conference in their own areas for example by incorporating them in a programme for action.

- The results of the Conference or the programmes for action should be strenuously brought to the notice of the relevant regional authorities, at which time precise demands can be formulated.
- Our catalogue of demands should be submitted in particular to all candidates for election to the European Parliament and should also be brought to the attention of the respective national parliaments.
- On an international level, the ETUC will submit the demands to the European Community, the Council of Europe and the ILO and will call for international arrangements to be made to secure implementation of the objectives in all big cities.
- The demands should also be taken up by the national confederations affiliated to the ETUC and coordinated at international level.
- Above all, the programme for action must be publicized among workers living in the big cities so that they can undertake the necessary steps with their trade unions to assert the demands contained in the programme.

6. OPINION OF THE EUROPEAN TRADE UNION COMMITTEE OF FOOD AND ALLIED WORKERS (ETUCF)

- on
- the Report on the situation in the dairy sector (COM/78/430 final, dated 27 September 1978)
 - the Commission's proposal on farm prices (dairy sector), dated 1 February 1979

The trade union organisations involved in the Community dairy industry approve the Commission's report on the situation in the dairy sector. They are of the opinion, however, that the Commission's proposals will not change the substance of the question of surpluses. Although it may be possible to resolve certain problems it is feared that at the same time others will be created.

The ETUCF notes that in its policy the Commission manifestly takes little account of the effects of agricultural policy measures on employment. The structural and associated social problems have not been adequately considered in the proposals hitherto submitted.

With the rising tide of unemployment in the Community, the trade unions also view agricultural policy in its employment policy aspects; indeed this is in their eyes a major consideration.

The Commission's proposals clearly show that an attempt has been made to find a solution to the existing imbalance on the dairy market mainly by means of the traditional financial instruments (prices policy, co-responsibility levy, subsidies).

The ETUCF notes the lack of an adequate structural policy alternative. It hopes that the Commission will present a comprehensive structural programme and a long-term production plan for agricultural produce covered by market organisations.

In addition, the ETUCF calls for an agricultural and food policy that is coordinated at Community level and directed towards bringing about an agricultural industry geared to the needs of consumers and the requirements of the food industries.

The ETUCF approves of the Commission's concluding agreements with third countries such as the Lomé Convention. But, such agreements should not provide Community aid to set up export industries in sectors in which exports could worsen overproduction in the Community.

The Community export and import policies arising out of obligations under the Rome Treaty should be directed towards economic balance and, as a major consideration, towards the necessary economic growth within the Community.

The Commission proposes a freeze on farm prices expressed in units of account and the withdrawal of monetary compensatory amounts in countries with prices below the common level. This will automatically entail an increase in farm prices of at least 5% in four of the Community countries. It is also proposed to maintain the existing system of guaranteed prices and quantities.

The ETUCF cannot give its support to a policy which does not attempt to find the causes of surplus production. A fundamental change in the organisation of the dairy sector is required. This implies the amendment of the system of guaranteed prices and quantities and the fixing of production targets geared more closely than in the past to actual demand and export outlets.

The ETUCF considers it advisable to eliminate the negative and positive monetary compensatory amounts.

On prices, the ETUCF advocates a cautious prices policy. An extension of the co-responsibility levy as proposed by the Commission should, it is hoped, help to keep the rise in production down to a lower level than in the past.

The individual subsidies hitherto granted to hill farmers and farmers ceasing production should be maintained. It is necessary, however, to ensure that the agricultural land thereby released is not used again to produce commodities which are in surplus.

The suspension of investment subsidies for modernizing or extending dairy farms which is proposed by the Commission can be approved by the ETUCF. More support is required for research and development of new products. Accordingly, the granting of investment aids to improve the employment situation and create new products should be subject to the condition that new or additional jobs are provided. The ETUCF claims the right to be consulted on this Community policy.

Finally, the ETUCF expresses support of the following proposals made by the Commission:

- the granting of direct consumer subsidies on butter to enlarge the butter market
- the extension of school milk distribution
- the promotion of exports to third countries.

As far as the disposal of cut-price butter to the processing industry (e.g. for ice cream; biscuits) is concerned, it must be ensured that the financial savings realized mainly benefit the consumer and do not merely go to boost profits.

As regard conversion from dairy herds to beef, certain measures will have to be taken to avoid overproduction of meat.

The ETUCF once again calls for a tripartite conference on the agricultural and food sectors.

With particular reference to the dairy sector, it is necessary to draw up a programme for structural change and to pursue a policy directed to a greater extent towards improving the working conditions and social situation of the workforce.

7. BRIEFING SESSION ON REGIONAL POLICY IN MARSEILLES, 1-2 MARCH 1979

The ETUC held a briefing session on regional policy in Marseilles on 1-2 March, in collaboration with the Trade Union Division of the EEC Commission. It was attended by representatives of the trade union confederations in the Member States and by 12 trade unionists from various regions in France.

The informative introductory address was followed by a lively discussion. Talks and discussions then ensued on the coordination of the functions of the Community's financial instruments and on problems arising in connection with the accession of **further** countries.

In the second part of the meeting, the delegates from the French regions (Lorraine, France-Nord, Pas de Calais, Brittany, Languedoc-Roussillon, Alpes/Côte d'Azur) had an opportunity to give their critical assessments of the operation of regional policy. It was evident from their reports that one of the major problems in regional policy is information on the ways and means of obtaining aid under the various Community financial instruments.

One of the conclusions to emerge from the session was that it could be of great advantage to hold similar sessions in other countries, attended by trade unionists from the regions.

8. ETUC DELEGATION MEETS THE FRENCH MINISTER OF LABOUR, MR BOULIN

On 25 January talks were held in Paris between an ETUC delegation, led by its General Secretary M. Hinterscheid, and Mr Boulin, French Minister of Labour and current President of the Council of Employment Ministers.

In his introductory remarks, Mr. Hinterscheid laid particular emphasis on reduction of working hours and improvement of the operation of the Standing Committee on Employment. The trade union delegation stressed the importance the ETUC attaches to regular meetings of the Standing Committee, and to the value of the exchanges of views and discussions being enhanced by the presence of the full Ministerial Committee, and not just individual ministers. On reduction of working hours, the delegation called for:

- an outline Directive on a reduction of some 10%, the details and application to be negotiated for each individual country and trade,
- specific Directives on work of an arduous nature and particularly shiftwork (5th shift),
- specific Directives on working conditions, particularly control of use of toxic substances.

In the discussion, Mr Boulin expressed broad agreement with the ETUC views on the operation of the Standing Committee on Employment.

On reduction of working hours, although he was willing to take steps towards this goal, provided his Council colleagues were not opposed, initially, he said, he preferred selective intervention in sectors which were in difficulties.

9. CREATION OF A EUROPEAN PUBLIC SERVICE COMMITTEE

Public Services International (PSI) and the European Organization of the International Federation of Employees in Public Service (Eurofedop), covering in Europe the trade unions of employees in the public service in the widest sense and representing more than 4 500 000 members, have established a European Public Service Committee, recognized by the European Trade Union Confederation (ETUC), and responsible for representing these employees and promoting their interests at Community and inter-governmental level.

The Praesidium of this Committee, meeting at its inaugural session in Brussels on 18 and 19 January 1979:

- | | |
|---------------|---|
| APPROVES | the official declaration of the establishment of the EPSC |
| UNDERTAKES TO | - publicize this declaration without delay
- strive on behalf of public service employees using the means conferred upon it by the ETUC under Statutes, in the sense and spirit of its declaration of principles |
| HAS DRAWN UP | its working arrangements in the light of the responsibilities which it must assume until the constituent General Assembly due to take place at the beginning of 1981 |
| STRESSES | the need to ensure that it participates in all discussions and consultations affecting the conditions of public service personnel, both within the ETUC and at the level of the Council of Europe, the ILO, the EEC or any other European organization. |

DECLARES that the search for joint methods of consultation to examine specific problems inherent in the tasks of public service employees is at the forefront of its preoccupations

CONSIDERS accordingly that the powers with which it is invested allow it to accept responsibilities and take initiatives within the framework of the permanent action which must be carried out by the Committee in order to promote the interests of European public service employees

DECLARES its willingness to carry out its activities and pursue its aims with due regard to the solidarity necessary between all workers.

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