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OFFICE ADDRESSES

London: 20 Kensington Palace Gdns  
London W8 4QQ,  
England

Washington: 2100 M Street N.W.  
Suite No. 707  
Washington D.C. 20037  
U.S.A.

Dublin: 29 Merrion Square  
Dublin 2  
Republic of Ireland

New York: 277 Park Avenue  
New York 10017  
U.S.A.

1. REFLECTIONS ON THE SUMMIT CONFERENCE

(Written for "Trade Union Information" by Commission Vice-President C. Scarascia Mugnozza).

Nearly everyone has approached the European Summit Conference with some reluctance, with ideas which are anything but clear, and also with a fair amount of scepticism. Meanwhile what is hanging over the Summit is the uncertainty regarding Britain, which will not alter until after the referendum and therefore at the end of what the British call renegotiation. For the sake of a clear understanding of possible commitments, however, we should also not underestimate the Italian political situation, the reservations of the Danes and some considerable difference in outlook, in appearance at least between France and Germany.

These problems are great without even mentioning the criticisms and aims advanced by leading personalities, in the most dissimilar circumstances, in language which is not always easy to understand and may therefore give rise to the most varied interpretations; and without any wish to record that for the first time, the European Parliament, perhaps because it is tired of repeating the same requests and not being listened to, is not expressing itself in a resolution of its own.

In spite of all this, as I have said already, the Summit will have its importance because of increasing concern on the part of the peoples of the Community about economic and social problems, and the generally negative effects on job security and the purchasing power of money, and therefore of wages.

But no less important, because of the implications, direct and indirect, will be the solutions offered in answer to the need for a common energy policy or to the question of relations between the countries producing raw materials and those consuming them, or to relations with the USA, and finally to the "one voice of Europe", so often talked about but never heard, meaning a common and consistent attitude on the part of the Member States of the Community in their relations with the rest of the world, which constitutes the basis of and prelude to a common foreign policy. As can be seen, none of this is very different from what has already been the subject of other summits, but in my view, two new factors exist which will characterize the December meeting.

The first is institutional, involving the very essence of such meetings between Heads of State and Government, and the implications involved for Community institutions. This problem never arose in the past, when conferences were held in special circumstances (the need to overcome a crisis, or to give new momentum to the building of Europe), or when the leaders of governments met at dinner, to exchange opinions in the utmost privacy, and provide impetus to the work of Community institutions.

But when, as today, the consultative nature of these meetings is no longer regarded as sufficient, and there is a desire to lend them a decision-making and executive character, it is clear that a problem is being posed, which, depending on how it is solved could either strengthen the Community, or deprive the Treaties of all their effectiveness. If therefore, the meetings of the Heads of State and Government should represent the highest and most responsible level of the Council of Ministers of the Community, and involve complete adherence to the decisions adopted, not within the framework of the Council of Ministers only, but in the Member States, and if that should also apply to political cooperation, the Community will really emerge with a new impulse, and the beneficial effects will soon be felt.

If however a trend becomes evident in favour of slackening Community links and therefore Community rights and duties on various grounds, which are already being advanced, then obviously the administration resulting could be based only on intergovernmental cooperation. That is just the opposite of the spirit and letter of the Treaties.

The second factor, to which I would like to refer, is that of the growing concern over economic recession.

Clearly the measures to be taken will vary from country to country, but let us not forget that economic and monetary integration, and interpenetration have taken giant steps forward over the past few years, although this has perhaps not been fully realized yet, and that Community solidarity with regard to countries which are in need, and which show a desire to develop, is always abundantly rewarded.

Diversified measures, but within a Community framework, which can make the necessary adjustments swiftly and flexibly, are therefore what we need. In my opinion it is the ability or inability to face up to this theme, against its vast background of problems (monetary cooperation, regional policy, economic and social policy etc) with the instruments already in use, or entirely new ones, which is going to demonstrate to the peoples of Europe the usefulness, or the uselessness, of the European Community.

Should it indeed be true that we failed to arouse enthusiasm in years of prosperity, it remains no less true that disillusion in the hour of need, which is tragically to befall individuals and entire peoples, will mean the end of any future we can see for Europe.

This reflection becomes even more true when we are convinced that salvation lies in each and all of us, and that no government, whatever its political colour, will be able to escape the inevitable summons to responsibility. Accordingly the Summit is highly important and I hope there will be a clear understanding of what the people of Europe are expecting it to achieve.

## 2. ASSISTANCE FOR HOUSING OF COAL AND STEEL WORKERS

The Commission has approved the carrying out of an 8th programme of financial assistance for housing intended for the personnel in the European Coal and Steel Community industries. This programme will cover the next four years and will be carried out in two phases, 1975/76 and 1977/78. It has been decided to earmark for the first phase of operations a credit of 25 million u.a. to be taken from the special budgetary reserve of the ECSC. The assent of the Council will now be asked in accordance with Article 54 of the ECSC Treaty.

The seven earlier programmes and three experimental ones phased over the past 17 years permitted first the High Authority and later the Commission to contribute to the financing of the construction of 129,472 dwellings and, more recently, to the modernisation of 9,702 dwellings for miners and iron and steel workers.

These programmes, which were originally set up in response to the general housing shortage, have at a later stage helped the ECSC industries through an increasingly difficult period of reorganisation. For example, the movement of iron and steel industries to the coast would have been impossible if there had not been a simultaneous programme of construction of new housing in the vicinity of such new iron and steel complexes as IJmuiden in

the Netherlands, Bremen in Germany, Taranto in Italy and Fos and Dunkirk in France. As regards the three new Member States, it was only in 1974 that the coal and steel industries in these countries were able to begin to benefit from Community assistance for housing.

The Community schemes have been highly appreciated by those concerned, namely, the ECSC firms which pay the levy which helps to finance the assistance and the trade unions whose members benefit from the social effects. Both parties have urged that the programmes be continued.

### 3. EX-CHANCELLOR BRANDT ADDRESSES ICFTU 25TH ANNIVERSARY MEETING

The International Confederation of Free Trade Unions held a meeting in Brussels on 21 November 1974 to commemorate the 25th anniversary of its foundation. Several internationally-known trade union leaders spoke on this occasion, recalling the activities of the ICFTU since its inception and setting out its future tasks.

Otto KERSTEN, ICFTU General Secretary, laid emphasis on the task of training trade union leaders in the developing countries.

The guest of honour on this occasion was Ex-Chancellor Willy Brandt, Nobel Peace Prize winner, and in an address, he analyzed the meaning to be given to the motto of the ICFTU "Bread, Peace and Freedom", in present-day circumstances.

Willy Brandt stressed that Europe had the need of a system of crisis management, both regional and global. The trade unions should take part in this so as to ensure full "workers participation".

He felt that the European Community was at present facing the greatest challenge which it had known since its foundation, and a failure of the Community would put in danger the whole fate of Europe - its stability and its relations with the countries of the East, as well as the Atlantic alliance.

Giving further details about his conception of "crisis management" at a short press conference, Willy Brandt pointed out that this system of "crisis management" would have the effect not of destroying European solidarity but of reinforcing it. He repeated that he supported the French idea of organising regular summit meetings between heads of government of Europe so that they could take an organised view of their responsibilities.

### 4. GERMAN HONOUR FOR FRENCH UNION LEADER C. MOURGUES

Camille Mourguès, Confederal Secretary of the the French Trade Union organisation Force Ouvrière since 1956, has been made an officer of the Order of Merit of the Federal German Republic. This high honour was accorded to him for his efforts over a long period in favour of rapprochement and friendship between France and the Federal German Republic.

### 5. MULTINATIONAL COMPANIES AND INFLATION

Charles LEVINSON, General Secretary of the International Federation of Chemical and General Workers Unions (ICF) spoke to members of the national committee of the Belgian trade union federation (FGTB) on the subject of "Multinational companies" in Brussels on 19 November 1974.

He stressed first of all that we are at present in a period of crisis as grave as that which occurred during the old industrial revolution. The great world economists are now saying the opposite of what they were maintaining still two or three years ago.

People are continuing to consider the world economy without dealing with the heart of the problem which is the multinationals.

Charles Levinson did not think that the present crisis could be compared with that of the Twenties. We are today going through a crisis of structure. Nowadays capital is flowing into very productive modern sectors which occupy very few workers. The managers who have created the crisis will draw great benefit from it and the workers will suffer the effects of a grave economic recession. The ICF General Secretary fears the advent of serious unemployment, the more so because in ten years' time 50-60% of investments will be in the most modern sectors (chemicals, oil, telecommunications). The multinationals are bringing about a system of an interfirm economy, as distinct from a system of national economies. One can no longer talk about a market economy when it is known that in ten years' time 300 or 400 firms will control 80% of the world economy. It will not be possible to avoid structural unemployment when 65% of investments are no longer tied to employment and are aimed only at increasing productivity through automation. It will then be necessary to ensure that wages are guaranteed since it will no longer be possible to guarantee work.

On the question of inflation, Charles Levinson thought that this would be a permanent phenomenon, because capital has become the most sought-after factor in our economic system. In his opinion, one could freeze all salaries and inflation would remain what it is. The principal factor of inflation is the fact that 98% of investments are made through the cash-flow, that is the undistributed profits of the firm, the capital put into reserve. Some firms no longer make a single penny profit but they have been known to expand triplefold in one year by maximising their cash flow.

Charles Levinson feared also that there would be multiple monetary crises due to the hot money known as "Eurodollars", with Arab countries investing astronomical sums at a term of only 24 hours. No banking system could control that. Speaking of the oil multinational companies, the speaker thought that they were in fact controllable by the Rockefeller group. Today the oil industry wanted to transform itself into the energy industry. This is why it tries to get hold of the nuclear field, coal mines, oil shale ..... not forgetting the development of solar energy.

How can one come to grips with these all-powerful organisations?

By nationalisation? One would only nationalize in each country a few machines or a few factories in decline. The multinationals would at once adapt themselves and would simply move. For them moreover, the "labour cost" is no longer the principal factor in investment. With multinationals, the national laws automatically lose their effectiveness and the effectiveness of strikes becomes doubtful. Multinationals cannot be suppressed and it is therefore necessary to find the means of controlling them. Only the trade union movement can achieve that. It should be done on the basis of industrial international federations, with trade union confederations playing a role of coordination. One had to begin a continual struggle process and not try to make a frontal attack. He noted that elephants passed most of their time in protecting themselves against mosquitoes, and the multinational elephants could not stop us from biting them.

In conclusion, Charles Levinson said that in the matter of multinationals, there was no American imperialism, the American workers being as much "feudalised" as all the others.

6. BELGIAN FGFB GENERAL SECRETARY CALLS FOR EUROPEAN COMMUNITY TRADE UNION SOLIDARITY

On the occasion of an Assembly of the European Left (Gauche Européenne) in Brussels on 23 and 24 November 1974 and in the presence of Commissioners SPINELLI, HAFFERKAMP, SIMONET, THOMSON as well as Emile NOEL, Secretary General of the Commission, the Belgian FGFB General Secretary Georges DEBUNNE, spoke on European Trade Union unity in the general debate. He considered that Europe was undergoing a grave crisis and he was pessimistic about the concrete results coming out of the Paris summit.

Once again, he stated, the question mark concerns what sort of Europe would justify our struggle. The institutions have to be reinforced but that is not sufficient, for the struggle to be maintained becomes more and more economic and therefore nearer to trade union action (inflation, multinationals ...)

Georges DEBUNNE ended his speech by expressing the hope that all trade unionists would be able to agree on the subject at a social conference of the Community to be held at the end of the year. He appealed to the British trade union movement belonging to the European Trade Union Confederation and particularly to the TUC general secretary LEN MURRAY in this regard. He emphasized that Europe did not concern only ministers and heads of governments. The workers must participate actively in the struggle. In this connection, divergences must be ended rapidly.

Commissioner George THOMSON on this occasion launched an appeal for rapid decisions on the question of regional policy. He appealed particularly to the German delegation to realise that regional aid to Italy represented not only a social necessity but also a political imperative in the face of neo-fascist dangers.

7. AGREEMENT BETWEEN FIAT AND ITALIAN UNIONS

On 30 November the Italian Metalworkers' Federation (FLM) signed with FIAT an agreement which the two parties described as being extremely important and which could well represent a turning point in industrial relations in Italy.

It will be recalled that a serious conflict broke out at the beginning of October between FIAT and the unions since the Turin firm had reduced the working week to four days for almost 80,000 workers. Whilst recognising the seriousness of the situation in the car industry, the unions had fought hard against this decision which in their view had as its main aim to reduce the strength and combativity of the workers' movement during a period of serious economic crisis.

Through the agreement made on 30 November FIAT made the commitment

that it would not make any dismissals during the year 1975 and it immediately re-established the working week to normal timing. On their side, the unions accepted a period of technical unemployment which will be centred round the period of Christmas and the New Year and for which workers will receive 93% of normal wages.

But the political importance of the agreement consists in the decision of the parties concerned to examine together at regular intervals the most important aspects of the crisis in the automobile sector/as to arrive at agreements on investments, the level of employment, the organisation of work, the mobility of the labour force, the diversification of production etc.

This means that a possible reduction in the production of cars will be examined jointly by the firm and the unions on the basis of figures concerning the level of stock, with such figures to be communicated by FIAT to the workers' organisations in confidence.

Moreover in the agreement which was reached, FIAT confirmed its commitments made earlier on the question of location of investments in the South and diversification of production (development of public transport).

Certain commentators have interpreted this new approach to the problem as a beginning of codetermination, underlining moreover that the parties concerned with this agreement renounced their right to take any unilateral action in favour of seeking common solutions. The unions deny that this is the case and recall that the agreement represents an enlargement of workers' control and the application of the principle of permanent negotiation of all aspects of the life of the firm.

#### 8. 4,100 SCHOLARSHIPS AWARDED BY THE "PAUL FINET" FOUNDATION

Since the inception of the Paul Finet Foundation in 1965, 5,749 requests for assistance have been received and 4,100 scholarships, amounting to 32,381,200 BFrs have been granted. In this way, 813 students have been able to complete their studies under suitable arrangements. The assistance given by the foundation goes to the children of workers who were employed in the Coal or Steel industries and who died after 30 June 1965 as a consequence of a work accident or an industrial disease (after 1 January 1973 also for British, Danish and Irish citizens).

#### 9. THE EUROPEAN INVESTMENT BANK GRANTS A LOAN FOR THE PURCHASE OF THREE AIRBUSES

The European Investment Bank has just granted a loan of 15.5 million units of account (1 U.C. = approx. 1 dollar) as a contribution to financing the purchase of three Airbus which will be hired to Air France by two financial interest groups. These aeroplanes will be first assigned to the Paris-London route and will afterwards serve other large towns in the Community.



10. ENQUIRY ON MULTINATIONAL COMPANIES IN THE COMMUNITY

The services of the Commission are making an enquiry into the 9,500 multinational firms having their headquarters in the countries of the Community or in third countries. It will be possible when this enquiry has been completed, to have for the first time a more or less complete description of the firms in question and it will be possible to avoid conclusions being drawn from the study only of the large multinational firms and these being applied arbitrarily to the small and medium-sized companies which represent in fact the majority of the multinationals. 65% of the documents requested from the 9,500 firms have already reached the Commission. The enquiry should be finished during the first six months of 1975.