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PRESS RELEASE

SOCIAL POLICY AND MEDIUM-TERM ECONOMIC POLICY

Extracts from address by M. Levi Sandri,
Vice-President of the EEC Commission, at
the 49th International Labour Conference

Geneva, 11 June 1965

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M. Levi Sandri, after reviewing the medium-term economic policy, said that two fundamental problems were likely to confront the majority of the EEC countries in the next five years.

The first was an expected slowdown in the growth of the working population. Persistent strains were likely in the sphere of employment, particularly in connection with other serious problems arising from structural changes in the various economic sectors and from the need for better-qualified manpower. Consequently, there was a need to ensure that the apparatus of production became better able to satisfy demand. Vocational training would play an important role here. With this in view, the EEC Commission recently approved two action programmes, one for training in agriculture and the other for industry and commerce. As far as the Community's institutions are concerned, these programmes contribute to implementation of the common training policy provided for by the Treaty of Rome. In this connection the speaker also referred to the proposals recently drawn up by the EEC Commission to broaden the operations of the European Social Fund (1).

The second main problem of the next few years, which the medium-term economic policy would have to take into account, was the considerable effort that would be called for in the matter of public and other investments. It was necessary to increase productivity and to develop what are known as "collective needs":

(1) See Press Release IP(65)18, 28 January 1965

transport infrastructure, education, health and town planning. A selection must be made, for needs were likely to exceed available resources, and it was important that savings should be promoted and utilized to the best advantage.

M. Levi Sandri also referred to the special place that an incomes policy was bound to occupy in the programme of medium-term economic policy. Work on this policy was still at the initial stage, but he thought it could be safely said that an incomes policy would have to be conceived on an overall basis. In other words, a wage policy was not enough - it was necessary to have a policy for all income, including profits, unearned income and dividends, that is to say also embracing income from self-employment and capital. Furthermore, the wage policy could not entail any limitation of the independence of workers' and employers' associations. The thing to do was to establish or intensify relations, in the most suitable form, between these associations and the public authorities; thorough and frank confrontation of viewpoints could then take place leading to collective bargaining action which would be in conformity with general economic policy.

Towards European confederations of workers and employers

M. Levi Sandri went on to discuss the active participation of the representatives of both sides of industry in Community life and action. He recalled that the EEC Commission had always associated the representatives of industry with its work on social matters. This was demonstrated by the number of tripartite or joint committees in operation. Such collaboration had been made possible by the setting up of the European Secretariats and European liaison offices of the various national organizations of workers and employers. These offices and secretariats should be the nucleus of true European confederations playing the same role in the Community as the unions and employers' associations did in the individual countries. The time had come to move forward from secretariats and liaison offices to proper organizations, so that the structure of social institutions should not lag behind the economic integration of Europe.

In other words, said M. Levi Sandri, the national organizations should already be contemplating handing over those tasks that must be tackled and solved at European level to organizations operating on that level. He envisaged European agreements to settle certain aspects of labour relations now ripe for harmonization and to co-ordinate employment policy at Community level. The need for such co-ordination was becoming more manifest every day. For example, even measures relating to the free movement of workers could no longer be considered in isolation, but had to take their place in a balanced policy of economic development backed up by an employment policy co-ordinated at Community level.