

European Communities

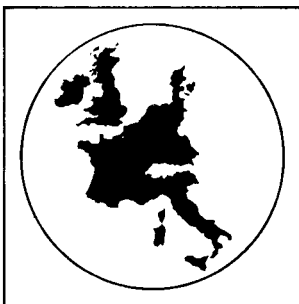
Delegation of the Commission
of the European Communities
to the United Nations.

1 Dag Hammarskjöld Plaza
245 East 47th Street
New York, NY 10017
Telephone: (212) 371-3804

Information Service

Newsletter

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Code of Conduct for Companies Operating in South Africa

On September 20, 1977 the Foreign Ministers of the Nine, meeting in the political framework, adopted the following 'Code of Conduct' for companies with subsidiaries, branches or representation in South Africa. The code itself is voluntary, each foreign minister having the responsibility for persuading businessmen and trade-unions in his own country to respect it. The Nine, however, made it clear that they would continue to study the possibility of other measures in regard to South Africa, such as bans on new investments and export credit. They also sent the text officially to OECD and other competent organisations in the hope that it would be adopted by other countries with business interests in South Africa.

1. Relations Within The Undertaking

- a) Companies should ensure that all their employees irrespective of racial or other distinction are allowed to choose freely and without any hindrance the type of organisation to represent them.
- b) Employers should regularly and unequivocally inform their employees that consultations and collective bargaining with organisations which are freely elected and representative of employees are part of company policy.
- c) Should black African employees decide that their representative body should be in the form of a trade union, the company should accept this decision. Trade unions for black Africans are not illegal, and companies are free to recognise them, and to negotiate and conclude agreements with them.
- d) Consequently, the companies should allow collective bargaining with organisations freely chosen by the workers to develop in accordance with internationally accepted principles.
- e) Employers should do everything possible to ensure that black African employees are free to form or to join trade unions. Steps should be taken in particular to permit trade union officials to explain to employees the aims of trade unions and the advantages of membership, to distribute trade union documentation and display trade union notices on the company's premises, to have reasonable time off to carry out their union duties without loss of pay and to organise meetings.
- f) Where works or liaison committees already operate, trade union officials should have representative status on these bodies if employees so wish. However, the existence of these types of committee should not prejudice the development or status of trade unions or of their representatives.

2. Migrant Labour

- a) The system of migrant labour is, in South Africa, an instrument of the policy of apartheid which has the effect of preventing the individual from seeking and obtaining a job of his choice: it also causes grave social and family problems.
- b) Employers have the social responsibility to contribute towards ensuring freedom of movement for black African workers and their families.
- c) In the meantime employers should make it their concern to alleviate as much as possible the effects of the existing system.

3. Pay

Companies should assume a special responsibility as regards the pay and conditions of employment of their black African employees. They should formulate specific policies aimed at improving their terms of employment. Pay based on the absolute minimum necessary for a family to survive cannot be considered as being sufficient. The

minimum wage should initially exceed by at least 50 percent the minimum level required to satisfy the basic needs of an employee and his family.

4. Wage Structure and Black African Advancement

- a) The principle of "equal pay for equal work" means that all jobs should be open to any worker who possesses suitable qualifications, irrespective of racial or other distinction, and that wages should be based on a qualitative job evaluation.
- b) The same pay scales should be applied to the same work. The adoption of the principle of equal pay would, however, be meaningless if black African employees were kept in inferior jobs. Employers should therefore draw up an appropriate range of training schemes of a suitable standard to provide training for their black African employees, and should reduce their dependence on immigrant white labour.

5. Fringe Benefits

- a) In view of their social responsibilities, undertakings should concern themselves with the living conditions of their employees and families.
- b) For this purpose company funds could be set aside for use
 - in the housing of black African personnel and their families; in transport from place of work and back;
 - in providing leisure and health service facilities;
 - in providing their employees with assistance in problems they encounter with the authorities over their movement from one place to another, their choice of residence and employment;
 - in pension matters;
 - in educational matters;
 - in improving medical services, in adopting programmes of insurance against industrial accidents and unemployment, and in other measures of social welfare.

6. Desegregation at Places of Work

In so far as it lies within their own competence, employers should do everything possible to abolish any practice of segregation, notably at the workplace and in canteens, sports activities, education and training. They should also ensure equal working conditions for all their staff.

7. Reports on the Implementation of the Code of Conduct

- a) Parent companies to which this code is addressed should publish each year a detailed and fully documented report on the progress made in applying this code.
- b) The number of black Africans employed in the undertakings should be specified in the report, and progress in each of the six areas indicated above should be fully covered.
- c) The governments of the Nine will review annually progress made in implementing this code. To this end a copy of each company's report should be submitted to their national government.

Simonet Addresses G.A. on Behalf of Nine

On September 26, Mr. Simonet, the Belgian Foreign Minister and President in Office of the Council of the EEC, speaking in the general debate of the 32nd U.N. General Assembly made an important statement on behalf of the EEC. The main elements can be summarized as follows:

Middle East: The Nine continue to believe that a settlement must be based on resolutions 242 and 338 plus acceptance of the inadmissibility of acquisition of territory by force; the necessity for Israel to end territorial occupation; re

spect for sovereignty, territorial integrity and independence of each State in the region and their right to live in peace in sure and recognised boundaries and the recognition that, in establishing a just and lasting peace, account must be taken of the legitimate rights of the Palestinians. The Nine also believe that the right of the Palestinian people for an effective expression of their national identity should be met.

South Africa: Mr. Simonet mentioned the "Code of Conduct" adopted by the Nine and reaffirmed that the Nine would do everything possible to promote in South Africa a non-racial regime which would allow its entire population to participate fully in the life of the country.

Zimbabwe: It is more essential than ever to resolve the problem of Rhodesia and essential to ensure a peaceful transition to independence in 1978, based on majority rule.

Economic problems: Although the present economic climate is far from healthy, the Community will respect the engagements it has made, notably at the CIEC, and will continue to reject protectionism.

Human rights: Just as the Nine are concerned to contribute to peace and a more just society in the world they also wish for an increasingly effective protection of human rights, in the civil, political, economic, social and cultural fields.

EC Condemns Apartheid

At the world conference on apartheid in Lagos on August 23 the President-in-office of the European Communities' Council Mr.

Henri Simonet, strongly expressed the Nine's condemnation of apartheid and their willingness to consider initiatives to persuade South Africa to abandon this policy.

Mr. Simonet recalled the various decisions and measures already taken by the Nine:

- they have refused to recognise Transkei and oppose the policy of creating Bantu States and will refrain from any act which might help to develop this policy;
- they are providing aid to South Africa's neighbours to help them to deal with the problems resulting from their particular geographical situation;
- they contribute to United Nations Funds to help the victims of apartheid in South Africa
- The EC itself helps the victims of the South African occupation of Namibia through the Lomé Convention, by providing financial assistance to the Lusaka United Nations Institute and by making scholarships available to Namibian students;
- the Member States of the EC have embargoed arms sales to South Africa.

Spain Seeks EC Membership

On July 28, 1977, barely a month after the first Parliamentary elections in Spain since 1936, the Spanish government formally presented its request for membership of the European Communities.

In accordance with Article 237 of the Treaty of Rome, the request was made to the Council of Ministers who must now obtain the opinion of the Commission. If the Council, acting unanimously, de-

cides in favour of Spain's membership, negotiations will begin between the EC and Spain on the conditions of her admission.

As early as 1962 Spain requested an "associate" membership, but strong opposition by the Member States of the EC to Franco's regime precluded this and Spain had to be content with a preferential commercial trade agreement which was only signed after eight years of difficult negotiations in 1970. This agreement has still not been fully adjusted to accommodate the three new EC Member States—Denmark, Ireland and the UK. While all of the "Nine" are fully committed to the political desirability of Spain's membership of the EC now that Spain once more has a democratically elected government, difficult economic negotiations seem inevitable. This will be particularly the case for Mediterranean agricultural produce, where the Common Agricultural Policy of the EC is already badly strained.

Spain's application makes her potentially the twelfth member of the EC. Greece officially requested membership on July 12, 1975 and Portugal on March 28 of this year.

EEC And CMEA to Hold Talks

The European Community and the Council for Mutual Economic Assistance have agreed to hold negotiations for an agreement between the two organisations. Following a meeting between delegations of the two sides the following joint communique was released:

"On September 21 Mr. Martiescu, Deputy Prime Minister of Roumania, currently President of the CMEA, assisted by Mr. Velkov, Deputy Secretary of the

CMEA, met the Foreign Minister of Belgium, Mr. Simonet, currently President of the Council of the European Communities, who presented to him Mr. Haferkamp, Vice-President of the Commission of the European Communities, which is responsible on the EEC side for conducting the negotiations. In the course of the exchange of views which followed, Mr. Haferkamp presented the views of the Community.

"The conversations led to a constructive exchange of opinions concerning the future negotiations and the means of conducting them. They made it possible for both sides to understand better the respective positions and to envisage the opening of the negotiations for an agreement for the first half of 1978.

"A report will be made to the respective authorities and the arrangements necessary for opening the negotiations will be communicated later."

Commission Recommends Opening Trade Talks with China

On September 29 the Commission recommended to the Council opening negotiations for a commercial agreement with the People's Republic of China.

The Commission envisages a non-preferential trade agreement lasting five years. The objective would be to promote and intensify trade between the two sides. The EEC would grant China most-favoured nation status. A joint commission would be established to oversee the working of the agreement, look into any difficulties which might arise and to examine ways of developing rela-

tions between the two sides in areas of common economic interest.

The EEC is China's second largest trading partner after Japan. In 1976 Community imports from China totalled some \$832 million while exports to China amounted to \$1,375 million.

Pierre Malvé— New Head of the Delegation

On August 22, Mr. Pierre Malvé took up his functions as the new Head of the Delegation of the Commission of the European Communities to the United Nations, replacing Mr. Paolo Cecchini.

Mr. Pierre Malvé was born in Loudun, France on June 25, 1928. After legal and economic studies at the University of Bordeaux and at the Institute of Political Science in Paris, he attended the Ecole Nationale d'Administration (E.N.A.).

He began his career at the Ministry of Finance in Paris and in 1963 joined the services of the

Commission of European Communities.

In that capacity he was from 1963 to 1967 one of the principal spokesmen of the EEC at the "Kennedy-Round" GATT multilateral trade negotiations.

For the following two years he was attached to the Cabinet of Jean François Deniau, then Member of the Commission of the European Communities responsible for External Trade, and had the opportunity to participate in the UNCTAD Session held in New Delhi.

In 1969, Mr. Pierre Malvé was appointed to the newly created position of Commercial Counselor in the Delegation of the Commission of the European Communities to the US Government in Washington.

He returned to Brussels where in 1973 and 1974, he occupied the post of Deputy Chief of Cabinet of the new President of the Commission of the European Communities, Mr. François Xavier Ortolí. He was in particular responsible for External Relations.

For the last two years, Mr. Pierre Malvé has been Director of International Affairs relating to Agriculture and has represented the Commission of the European Communities at numerous international conferences, including those of OECD, GATT, FAO, the World Food Council and CIEC. He

was also the European President of the Commission for Agriculture and Rural Development in the Euro-Arab Dialogue.

In the spring of 1977, Mr. Pierre Malvé was the spokesman of the European Communities at the United Nations Conference for a new international sugar agreement.

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