

# EUROPEAN LABOUR BULLETIN

Published by Britain in Europe

Library Copy

No. 7

JULY 1960

## ABOUT THIS BULLETIN

This bulletin is intended for trade union, labour and cooperative editors and education officers. It contains information about the new communities of Europe and the contribution and role which trade unionists and socialists on the Continent are making to them.

Its object is to provide authoritative material on European developments for use in the publications and educational activities of the Labour Movement.

The Editors regret the long delay since the publication of the last issue, and will aim at producing future issues at more frequent and regular intervals.

## C O N T E N T S

Page

Integration and disintegration in Western Europe - by J.C.Hunt ... ..	2
Paid holidays in Western Europe ... ..	8
A new deal for Coal-Steel Community workers - by Roy Pryce ... ..	12
European Social Fund ... ..	15
<u>SPECIAL FEATURE</u>	
Trade Unions in Europe: 4 - FRANCE by Serge Colomb	18

The Editors will be pleased to supply photographs for publication and to provide additional facts and special articles as required.

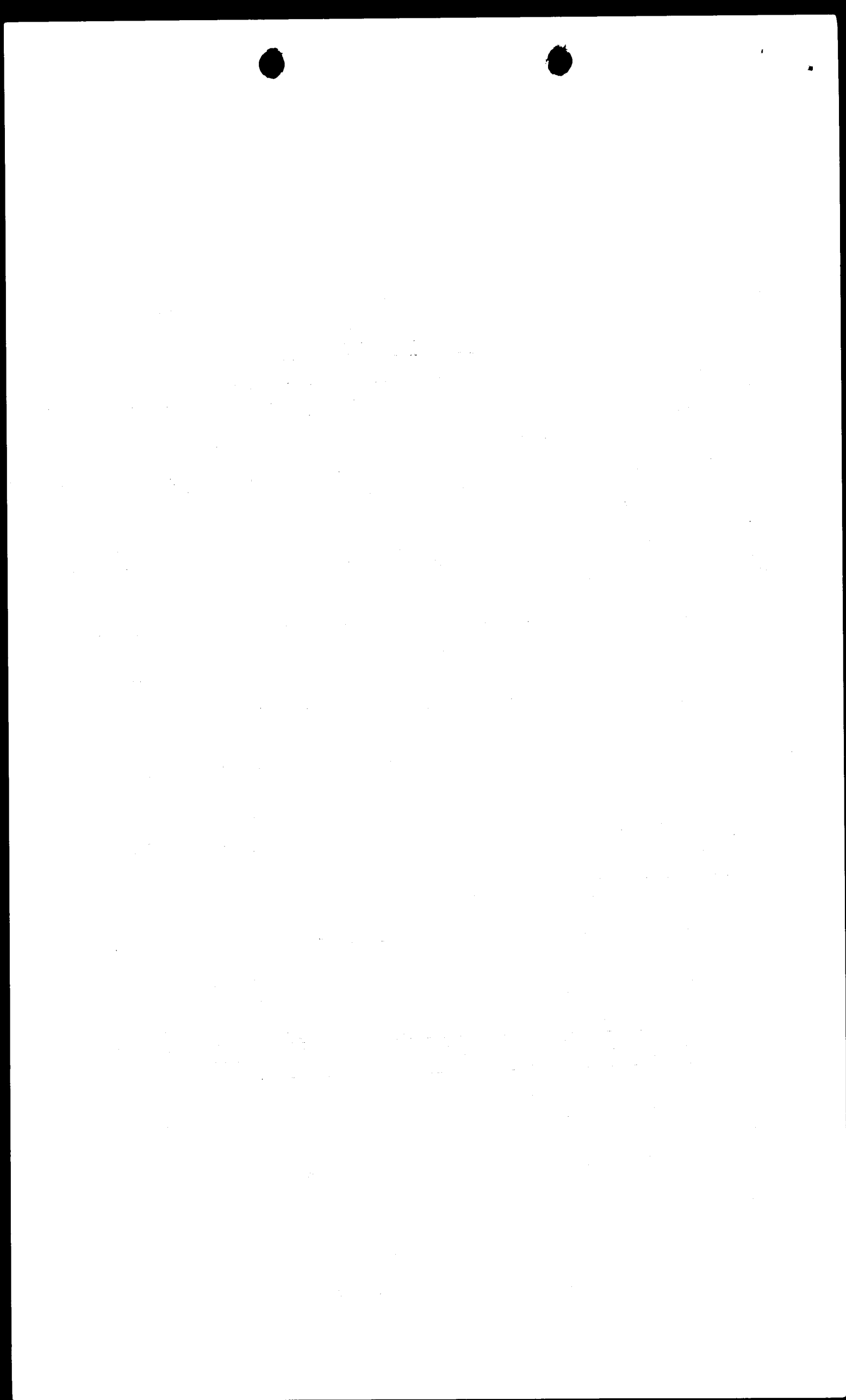
Material in this Bulletin may be reproduced with or without acknowledgement though in all cases a voucher copy of the publication containing the reproduced material would be appreciated.

The Editors would also be pleased to receive from readers news items illustrating British Labour's views on Europe for inclusion in future issues.

Readers interested in a month-by-month account of developments in the general field of European economic integration are referred to Britain in Europe's News-Letter.

BRITAIN IN EUROPE LTD.  
EUROPE HOUSE  
43 Parliament Street London S.W.1.

Library Copy



INTEGRATION AND DISINTEGRATION  
IN WESTERN EUROPE  
by J.C. Hunt

---

July 1 last and January 1 next: these are key dates in Western Europe's progress towards economic integration, and at the same time - the fact must be faced - disintegration too.

On July 1 Britain and her partners in the European Free Trade Association, or Outer Seven, cut tariffs on trade with each other by 20%. In addition they enlarged their few remaining quotas by 20%. The six Common Market countries lowered tariffs on trade between themselves by 10%, having already carried out a 10% reduction eighteen months previously. (They had also already enlarged quotas in two stages by at least 40%).

On January 1 next the Six will carry out a number of important operations a year sooner than had been planned. Under this acceleration programme they will lower tariffs by yet another 10% on trade within the Common Market (by only 5% for many agricultural goods), and increase quotas once again. Combined with these cuts will be the first of three planned steps towards establishing their common external tariff in place of the separate tariffs they now have on imports from other countries. But, in order to quieten critics inside as well as outside the Common Market and as a demonstration of confidence in their strength, the Six will make a provisional reduction of one-fifth in the proposed level of the common external tariff, in the strong hope that other countries - Britain and the USA especially - are prepared to make appropriate concessions.

The EFTA countries are almost certain to react by making an extra 10% tariff cut on their own trade, it being the intention of the Seven to keep pace as far as possible with the Six in this respect. There is no question of working towards a common external tariff, because by definition nothing of the kind is involved in the EFTA, though it may be noted that the idea is favoured in some Scandinavian quarters and is one of the subjects the trade union centres of the EFTA - including the TUC - agreed to examine at a recent meeting in London.

.../..

---

The Common Market or European Economic Community: Belgium, France, Germany, Italy, Luxembourg and the Netherlands.

The European Free Trade Association: Austria, Denmark, Great Britain, Norway, Sweden, Switzerland and Portugal.

In the light of the results of all these steps, the Six will decide in the middle of next year on whether to adopt additional acceleration measures at the end of 1961 involving an additional tariff cut.

\* \* \*

Economic integration, then, is taking place within two groups of European countries. Of the two, the EFTA is much the less ambitious scheme. As its name indicates, the emphasis is on free trade, not on welding the economies permanently together. This is illustrated by the fact that a member wishing to leave the EFTA need give only twelve months' notice, whereas the Common Market is, theoretically, for ever.

Besides being looser in its organisation, the EFTA is the more geographically dispersed, with two of its members - Austria and Switzerland - landlocked and wedged into the Common Market. It is smaller, with some 90 million inhabitants against the Common Market's 165 million or more, but its standard of living is rather higher in general, despite Portugal. Last year Britain sold nearly £9 worth of goods in the EFTA for every inhabitant, against only £3 per person on average in the Common Market. This difference, however, was not enough to make the EFTA markets more important. They took £358 million of British exports compared to £508 million by the Common Market.

The Common Market is not only larger and richer, but the more dynamic in its economic growth and bolder in its aims. It is only lately that people in Britain have come to recognise the determination and ability of the Six to press ahead with their economic integration. The rapid progress now being made is the result of over two years of very thorough ground-work.

For instance in this period, the common external tariffs were agreed, a complex technical task for which four years had originally been allocated. Even more surprising was the way in which a number of apparently conflicting political and commercial interests were successfully overcome. Considerable importance attaches to this achievement for the common external tariff is, almost more than anything else, the practical demonstration of the economic unity of the Six. Once it begins to be introduced on January 1 the Common Market will become virtually irreversible, short of a crisis of the first magnitude.

.../:::./.

This common external tariff is much lower than critics of the Common Market anticipated, in fact lower on average than the British or the American. While on agricultural goods it is much higher than the British, it is broadly of the same level for raw materials, and substantially lower for manufactures.

But it is not only in the field of tariffs and quotas that the Six are making progress. They have formulated a plan for a common agricultural policy organised through marketing boards, pricing systems and subsidies for the Common Market as a whole. No one disguises the fact that agreement will be difficult to find, but to judge from recent performance the Six will find a way out.

In matters of social policy, a major advance has been achieved recently with the coming into operation of the European Social Fund. This body will contribute half the costs necessary to retrain unemployed workers for another occupation, or to resettle them in another country or district. It will also ensure that workers in danger of being laid off or put on short time as a result of a modernisation scheme will suffer no appreciable loss of earnings.

Equal pay for equal work by women will probably become fully effective throughout the Common Market by the end of 1961. ✓

Freedom of movement for workers is to be introduced gradually, through a system of regional labour exchanges to ensure that employment is available for workers intending to migrate. A severe labour shortage has developed in many parts of the Common Market, Germany and the Netherlands especially, so that freedom of movement will remove a major obstacle to continued economic growth.

In the commercial field measures for the removal of discriminatory practices are being shaped with regard to competition (the application of strong anti-cartel rules is envisaged), transport pricing, the movement of capital and the right of establishment.

A number of moves are also being made to coordinate the economic policies of the Six in such matters as taxation, monetary policy, subsidies and regional planning.

All these steps towards consolidating the Common Market have already had a potent economic effect. Trade between the Six rose last year by as much as one-fifth over 1958. And in the first few months of this year it was nearly two-fifths higher than in the same months of 1959. These are impressive advances by any standard and underline the confidence of industry in the Common Market well before it has become fully operational.

This confidence is also shown in the amount of US capital pouring into the Six; it increased by three times in 1959. The Common Market is now very likely to be completed by 1966 instead of 1970 or 1972 as originally envisaged.

The rapid pace of economic development and integration in the Common Market is matched by growing political cohesion and the strengthening of its institutions. The holding of direct elections to the European Parliamentary Assembly, possibly in 1963, is under active consideration. This would provide an effective democratic check on the Communities. The executives of the Communities (Common Market, Euratom and Coal and Steel) are also likely to be merged.

\* \* \*

The impressive integration within the Common Market, and to a lesser extent the EFTA, unfortunately means that relations between them are steadily weakening. Disintegration through disturbances to trade, investment and much else besides is resulting from the failure of the Six and the Seven to unite.

There is no agreement amongst economists as to how much damage will be done to British trade. Will the gains in the EFTA be greater or less than the losses in our exports to the Common Market plus the greater competition we will experience in the rest of the world from the Common Market? Official estimates rather play down the losses. Other experts are less sure. They see that the economies of the Six have grown twice as fast in recent years as those of the Seven. Trade in the Common Market is expanding and looks like continuing to expand much faster than in the EFTA. Grave economic consequences seem to be in store for Britain if she fails to come to terms with the Common Market.

But the disintegration between the Six and the Seven affects many other countries besides. There are the European countries which belong to neither group - Ireland, Iceland, Spain, Yugoslavia, Finland, Greece and Turkey. These, for the most part underdeveloped countries, are particularly hard hit by the split. Already Greece and Turkey are negotiating with the Common Market and Finland with the EFTA.

Then there is the Commonwealth. Several members, like Australia and New Zealand, regard the British markets as too stagnant and are seeking new trade openings in the Common Market.

.../.

Those in Africa, such as Ghana and Nigeria, will find themselves at a considerable disadvantage in selling to the Common Market by comparison with the countries of French Africa. The overseas Commonwealth countries have a strong interest in the prosperity of Britain, for on this depends how much she can import from them and what investment aid she can extend. They are, therefore, how increasingly of the opinion that the Commonwealth system should be an incentive rather than an obstacle to the closest possible relations between Britain and the Common Market.

Finally both the USA and Canada view the division of Europe with special concern, and fear that the Six and the Seven may do a deal at the expense of the rest of the world.

No straightforward solution to this disintegration is in sight. One possibility is for the Seven to join the Common Market. This is far from likely, though Britain has offered to join Euratom and the Coal and Steel Community. A considerable body of opinion in Britain, however, now favours joining all three Communities. A recent declaration by Monsieur Monnet's influential Action Committee for a United States of Europe, representing all the free trade unions and democratic political parties on the continent, shows that Britain - indeed all the EFTA countries - would receive a warm welcome should they wish to join the Common Market.

Nevertheless prospects are not yet favourable to a permanent all-European solution, whether through joining the Communities or obtaining the kind of multilateral settlement (or modified free trade area) sought after by the British Government.

In the meantime the only alternative is to find temporary settlements. One being made is to create an Organisation for Economic Cooperation and Development embracing the European countries, the USA and Canada, but on this there is unfortunately much disagreement. Another will be the attempt starting this autumn to negotiate mutual tariff concessions in the General Agreement on Tariffs and Trade. These and other projects will undoubtedly help to bring about suitable conditions in which the European countries can agree on how best to integrate their economies. In this process many other questions affecting European economic relations with the rest of the world, North America and the underdeveloped countries in particular, will begin to be tackled.

But there is a clear danger in delaying a major settlement, because the separate progress of integration in the Common Market and the EFTA is tending to crystallise the division between them.

..../.

It is for this reason that there is a growing readiness in Britain to consider radical solutions like joining the Common Market. Whatever the eventual outcome, no one any longer questions that the issue of European integration is fundamental to this country, the Commonwealth and indeed the whole free world.

## INDUSTRIAL PRODUCTION

## Comparison of expansion

	<u>Common Market</u>	<u>U.K.</u>
1953-1954	+ 11%	+ 7%
1954-1955	+ 12%	+ 5%
1955-1956	+ 9%	-
1956-1957	+ 6%	+ 2%
1957-1958	+ 3%	- 2%
1958-1959	+ 7%	+ 6%



PAID HOLIDAYS IN WESTERN EUROPE

---

Far-reaching recommendations were adopted in Strasbourg early this year (on January 19) by the Social Committee of the Council of Europe's Consultative Assembly. They adopted a draft Social Charter. Among the proposals are provisions for the introduction of a maximum 40 hour normal working week and for three weeks annual paid holiday.

The Charter's other provisions include many rights already adopted in practice in Britain in recent years. They cover:-

- the right to work in fair, safe and healthy conditions;
- the right to a fair wage;
- the right to organise and to collective bargaining;
- the protection of children, young persons and employed women;
- vocational guidance and training;
- social security;
- medical assistance;
- the right of the disabled to rehabilitation and resettlement;
- family economic protection;
- the right to engage in a gainful occupation; and
- the right of migrant workers to protection and assistance.

If this Charter is adopted by the Council's member governments, it would do more to improve industrial conditions in Western Europe than any of the Conventions of the International Labour Organisation, important though they have been.

Adoption of the Charter would be a bigger departure from normal practice for the British Government than for most other countries. Britain is one of the few countries which has always fought shy of introducing important industrial reforms by legislative procedure. The main reason for this attitude is that the unions have not favoured this method, as they have generally believed that state intervention might create undesirable precedents. The exception to this is ILO Conventions, which the TUC usually presses the Government to ratify. It is quite likely therefore that similar pressure will be brought to bear in the case of the Council of Europe's Charter.

This could be an important factor in British industry, for it has fallen behind many of its Western European partners in the question of paid holidays. It is sometimes felt that the reason for this is the sole reliance of the British trade union movement on collective bargaining. While this has paid dividends in wage

negotiations, and to a lesser extent in determining weekly hours, there has been little time or energy left for the British movement to organise a determined attack on the holidays question.

Although the trade union movements in other Western European countries (with the one exception of Sweden) are not as strongly organised as the British, they have managed to achieve their superior holidays through legislative means, sometimes supplemented by collective bargaining.

A larger number of observed religious festivals in several countries account for some of the extra days. But there is also a generally higher level of paid annual holidays in countries of comparable industrial development, which brings the grand total of yearly hours not worked but paid well above the British total in almost every case.

The following figures taken from 'Hours of Work' (Report VIII to the Forty-second session of the ILO Conference in Geneva in 1958) probably give the most comprehensive picture:-

	1	2	3	4
Country	No. of Paid Public Holidays During Year	Annual Holidays With Pay (General Minimum Duration)	Hours Not Worked But Paid During a Year	Normal Yearly Hours of Work
<u>EUROPEAN FREE TRADE ASSOCIATION</u>				
Austria	12-13	12 days	192-200	2,296-2,304
Denmark	8-9	3 weeks	208-216	2,280-2,288
Norway	10	3 weeks	224	2,272
Portugal	9	6 days	120	2,376
Sweden	11	3 weeks	232	2,212
Switzerland	4-8	6 days	80-112	2,384-2,416
U.K.	6	6 days or 2 weeks	96-135	2,152-2,192
<u>EUROPEAN ECONOMIC COMMUNITY (the Common Market)</u>				
Belgium	10	6 days	128	2,212
France	5(1)	3 weeks	160	1,920
Germany (Fed. Rep)	10-13	12 days	176-200	2,296-2,320
Italy	16(3)	10 days(4)	208	2,288
Luxembourg	10	8 days	144	2,352
Netherlands	6-10	12 days	144-176	2,320-2,352
<u>OTHERS</u>				
Greece	3(2)	8 days	88	2,408
Ireland	6	7 days	104	2,184
Turkey	12	7 days	152	2,344

..../.

Notes

- (1) There are 11 statutory holidays in France, but collective bargaining determines the number of these paid for, up to the full number, although it is most commonly five.
- (2) If workers are paid by the day they receive no pay for these holidays.
- (3) Plus 2 days in public administration.
- (4) Minimum set by law. In some industries - particularly the mining, chemical and engineering industries - minimum annual holidays with pay are set at 12 days by collective agreements.

It should be emphasised that since these figures were compiled many of the countries have reduced their hours, or are in the process of doing so. This affects column 4 of the Table, i.e. the normal yearly hours of work. At the time the figures were gathered, Britain and Ireland were the only countries with a normal working week of 44 hours. France had a 40 hour and Belgium a 45 hour week, or was in the process of going over to it in most industries. Sweden had a 47 hour week and all the other countries a 48 hour week.

Since then, however, most of the industrialised continental countries have changed over to a 45 hour week, or are in the process of doing so. This includes Austria, Denmark, Germany, the Netherlands, Norway, Switzerland and some important concerns in Italy, led by Fiat and Olivetti. This change indicates an approximate reduction of 150 hours a year, or slightly less.

Britain herself has reduced normal weekly hours from 44 to 42 in many important industries already, and all other industries will surely follow. This is an approximate reduction of 100 hours a year. The conclusion is that the gap between the normal yearly hours in most European countries and those in the U.K. has been narrowed by about 50 since the table was compiled. But it still leaves the U.K. working fewer normal yearly hours than most of her neighbours with the exception of France - working fewer than anybody - and Sweden, Belgium and Ireland having roughly comparable hours to the U.K. These figures of normal hours should not be confused with figures of actual hours worked (including overtime) given by some sources. A comparison of these would show an altogether different pattern.

In contrast to normal yearly hours, the British position on annual paid holidays is somewhat below average and is well behind in the matter of public holidays and the total time not worked but paid during a year. It is significant that the average of total paid time off per year in Britain is well below that of any country in the Common Market, and also well below that of all its partners in the European Free Trade Association, with the single exception of Switzerland. The Common Market countries, moreover, are pledged by

..../.

a Treaty Article to maintain the existing equivalence of paid holiday schemes. In British industry there is a widely-held but quite fallacious idea that the country is ahead of other Western European countries in most industrial conditions. These figures show that by comparison with the countries which are her most important industrial competitors she is well behind in the question of paid holidays.

NOTE:- This article complements the one entitled 'THE FORTY HOUR WEEK IN EUROPE - A PROGRESS REPORT', published in the European Labour Bulletin No. 6, November 1959.

A NEW DEAL FOR COAL-STEEL COMMUNITY WORKERS

Extended Readaptation Scheme now in force.

by Roy Pryce

New powers, which will allow the High Authority to give a fair deal to workers of the European Coal and Steel Community who are threatened with unemployment, were agreed at a meeting of the Community's Council of Ministers in Luxembourg on January 26, and ratified by the European Parliament at the end of March.

The decision came after a crisis which threatened to deprive the High Authority of the means which it has used since the Community was set up to finance readaptation schemes in cooperation with member governments. In this period no less than 110,078 workers in the Community's industries have benefitted from this aid - to a total amount of £31.4 million. Half of this money has come from the High Authority's own funds, the remainder being contributed by the national governments concerned. The importance of this to the coalminers of the Community can be seen from the fact that 91,854 of them have been helped in this period - 54,265 in the German Federal Republic, 25,650 in Belgium, 6,654 in France and 5,285 in Italy.

The recent crisis was all the more serious because at the turn of the year a shoal of requests for this aid poured into Luxemburg - more than 100 of them in the course of the last few weeks of 1959. Most concerned coalminers in the Community who are to be affected by the cutback in its productive capacity; no less than 67 emanated from West Germany which is facing a drastic reorganisation of its coal industry as well as Belgium, for whose miners large-scale aid has already been granted. By consequence it may well be that expenditure on readaptation this year (by the High Authority and national governments) will exceed £32 million, or more than was spent in all the previous seven years combined.

The Treaty makers originally thought that the need for readaptation aid would be limited to the early years of the Common Market for coal and steel. They believed that in the first five years the necessary changes to the new market conditions would have been made, and that afterwards there would be no need of special provisions to provide rehousing, retraining - or supplementary unemployment benefits -

..../.

for workers in these two industries. It was for this reason that they put their readaptation proposals in a separate Convention annexed to the main part of the Treaty - a Convention which was designed to lapse on February 10, 1958. But already at that time, when the first signs of the coal crisis were apparent, it was clear that the scheme would still be needed. This need was met at the time by the further two-years extension which had been provided for, at the discretion of the High Authority.

As the end of this further period loomed up, however, the full dimensions of the structural problems facing the coal industry had become clear. This time the provisions for readaptation could only be extended by a revision of the Treaty. Faced by the need to reconcile a divergence of opinions in the Community's Council of Ministers on the way in which the readaptation scheme should be continued, the High Authority had to water down its original proposals for revision - only to find the amended scheme rejected, just before Christmas last year, by the Court of Justice.

The Court's arguments, however, reinforced the case for the High Authority's original scheme. The Council's demands that the revised readaptation scheme should be limited to the next three years, and applied only to workers in the coal industries, having been firmly rejected, the way was now open for the High Authority to propose a much more far-reaching scheme. It went back to the Council with new proposals which, this time, were accepted by the necessary five sixths majority. Subsequently the new text was approved by the Community's Court of Justice and the European Parliament.

The result is a revised readaptation scheme which will offer the previous range of benefits to all workers coming under the Treaty, for the full remaining period of its 50-year term, and on a much wider basis. Instead of having to prove that help is needed as a consequence of the introduction of the common market, readaptation aid will now be available where "a profound change in the market conditions" of any of the Community's industries makes it desirable.

The effect of this is to insert readaptation aid as a permanent feature of the social policy of the Community and to acknowledge the fact that the Community as such has a continuing duty to protect its workers against the hazards of structural change. This principle, which represents a major innovation in the concept of the social obligations of the six countries, may well have important repercussions, in the long run, on the social policy of the Economic Community also. At present this is equipped with a Social Fund - which has recently come into operation - cast on the same general lines as the E.C.S.C.'s original readaptation scheme. Here again the conditions for the

operation of the Fund have been drawn up in terms of the transitional period laid down for the Common Market but it may well be that the experience of the E.C.S.C.'s scheme will exert a decisive influence on its own future development.

In the meantime, the High Authority can be well content with the outcome of the recent crisis, and the positive prospect it offers to the workers of the Community.

SEVEN YEARS OF READAPTATION AID

(February 1953 - February 1960)

	No. of workers benefitting from aid.	High Authority contributions £'000.
<u>GERMAN FEDERAL REPUBLIC</u>		
Coal industry	54,265	6,032
Steel works	650	81
Iron ore mines	250	21
TOTAL	———— 55,165	———— 6,134
<u>BELGIUM</u>		
Coal industry	26,650	3,957
TOTAL	———— 25,650	———— 3,957
<u>ITALY</u>		
Coal industry	5,285	802
Steel works	13,650	3,477
TOTAL	———— 18,935	———— 4,279
<u>FRANCE</u>		
Coal industry	6,654	548
Steel works	3,426	274
Iron ore mines	248	17
TOTAL	———— 10,328	———— 839
<hr/>		
TOTAL OVERALL	110,078	15,209
<hr/>		

- NOTES:-
1. The common market in coal came into being in February 1953.
  2. The High Authority's contributions have been matched by equal amounts paid by national governments, making a combined total of £31.4 million.
  3. The High Authority raises its revenue from a small tax of 0.35% on the value of the products covered by the E.C.S.C. Treaty (coal, steel, iron ore, etc.). It yields about £10 million a year.
  4. A further £16.1 million has been allocated in the High Authority's budget for 1960-61, so that readaptation expenditure in the current year may exceed £32 million.
  5. For fuller details attention is drawn to an article entitled "High Authority readaptation powers widened" in the June issue of the Bulletin from the European Community, available from the Information Service of the European Committee, 23, Chesham Street, London, S.W.1. ....

## EUROPEAN SOCIAL FUND

New deal for unemployed workers in the Common Market

Workers in the Common Market now have a firm supranational guarantee against some of the rigours of unemployment. The European Social Fund, whose regulations were finally approved on May 11, extends to workers in all industries of the six Common Market countries \* broadly the same measures for "readaptation" on an international scale as have been so successfully pioneered for coal miners and steel workers by the European Coal and Steel Community.

The purpose of the Social Fund is to widen the opportunities for employment to workers. It is in no sense a mere distributor of dole for the Common Market as a whole, a substitute for national systems of unemployment relief. Its functions are far more positive. These are of three kinds, namely to provide for:

- (i) the occupational retraining of workers, of at least 16 years of age, who have been unemployed for six months or more, so that they may transfer to another industry (workers suffering from chronic under-employment may also qualify);
- (ii) the resettlement in another district, or country of the Common Market, of unemployed workers who are unable to find work where they live at the same level as they had previously;
- (iii) the maintenance of wages of workers affected by a reconversion or modernisation project, and - where necessary - their retraining. (Wages in these cases will be paid at the rate of 90% of their normal level, including taxes, social security contributions and regular bonuses).

The Fund does not itself regulate or interfere with the retraining, resettlement or wage maintenance schemes. These are left to the member states or to the competent public bodies to perform. The Fund, however, pays half of their cost.

The Fund is financed according to a standard formula. France and Germany each contribute 32%, Italy 20%, Belgium 8.8%, the Netherlands 7% and Luxemburg 0.2%. The amount made available each year depends on the total of all the applications made to it. This will not be difficult to calculate as the Fund only makes payments

.../..

\* Belgium, France, Germany, Italy, Luxemburg and the Netherlands.



after the retraining, resettlement or reconversion projects have been carried out according to the rates laid down.

There is therefore no fixed ceiling on the Fund. During 1960 the Fund will have available a little over £7 million. In other words up to nearly £15 million will be spent, including the national contributions. It is expected that France and Italy will be the chief beneficiaries, followed by Belgium.

In the administration of the Fund, the European Commission (the executive of the Common Market) will be assisted by a special Committee. Made up of 36 members, this Committee will have two government, two trade union and two employers' representatives from each of the six countries. This arrangement is modelled on that of the International Labour Organisation. At one stage it seemed that the governments wished to appoint fully half of the Committee members, but they bowed to the force of public opinion on the issue.

This new organisation undoubtedly has defects. This is not surprising in view of the difficulties in working out an experiment of this kind on so large a scale. Many different interests and opinions had to be consulted and satisfied. It may be objected that the definition of unemployment is too rigid. Agricultural workers, though in theory entitled to the Fund's assistance, will certainly have difficulties in obtaining it. There must be some doubt too about the smoothness with which the administration of the Fund will work. It remains to be seen whether the facilities for retraining will be uniformly good throughout the Common Market and what steps are taken to improve standards of occupational training. As applications for assistance can only be made by member states, the danger arises that governments will not trouble to establish or maintain adequate training or other facilities, particularly in time of recession.

For all these and other shortcomings, the European Social Fund represents a radical departure from most existing forms of unemployment relief. The intention is to guard against any disturbances in the employment situation arising from the removal of trade barriers in the Common Market. There is no similar body in the European Free Trade Association, or Outer Seven, of which Britain is the outstanding member.

With the emphasis on fitting the unemployed worker for another job, by giving him a new skill or taking him to where he can find work, the European Social Fund provides another instance of how the Common Market is designed to counteract the harmful effects of unbridled competition. Of particular importance is the approach

to redundancy, a problem of growing seriousness in all industrialised countries owing to the advance of modern methods of output, automation in particular, irrespective of schemes for freer trade. All projects for the reconversion of factories in order to qualify for the Fund's contribution must be submitted in advance to the European Commission for its approval and for recommendations as to the retraining, maintenance and re-employment (where possible in the same factory) of all workers in danger of being laid off or affected by short-time as a result.

It can hardly be expected that the Fund, as at present constituted, will be able to solve all the problems with which it will be faced. The Common Market is still in the teething stage and unforeseen difficulties may occur as it develops, while many fears now entertained may prove groundless. For these reasons the structure of the Fund is very flexible and its rules are to be re-examined in the light of experience in two years' time, at the latest. There is, moreover, nothing to prevent the Fund being given greater powers at any time, particularly with regard to the improvement of the national schemes for re-training. Meanwhile the strength of the trade union representation on the Fund gives good grounds for expecting that it will be organised in the best interests of Common Market workers.

## TRADE UNIONS IN EUROPE: IV

## FRANCE

by Serge Colomb

(Technical Consultant to the CGT Force Ouvrière  
and a consultant to the European Productivity Agency)

Powerful at the time of the Liberation fifteen years ago, the French trade union movement has lost much of its vigour through divisions and factionalism. Its shortcomings and the causes for them, which are often criticised in international free trade union quarters, are not always appreciated. Nor are its not inconsiderable achievements.

Effective unity of the movement has only been enjoyed in practice in short spells. The inter-war years were marked by the great divisions of 1921 and 1929, and only one brief period of solidarity from 1936 to 1939, when fresh disputes arose over the Russo-German Pact of 1939. The rift was healed after the Soviet Union entered the war and, following the Liberation, the working class swarmed to join the CGT (Confédération Générale du Travail - General Confederation of Workers).

Six million members strong, the CGT bore comparison with mass labour movements anywhere else in the world. Alongside the huge CGT, the small Roman Catholic CFTC, with only a few hundred thousand members, stood for a very different conception of trade unionism, and secured little working class support.

At that time the working class, inspired by the spirit of the Resistance, seemed to be on the verge of achieving the measure of social justice for which they had so long struggled. French governments, faced with such a strong movement, put into effect many major reforms and in the process carried out most of the programme demanded by the CGT before the war.

It is enough to single out a few of the key reforms:

- (i) The fuel and power industries were nationalised - coal, gas and electricity - and also a number of large firms, Renault, the motor car manufacturers, being the most famous.
- (ii) Social security was extended through a greatly improved system of national insurance.
- (iii) Factory committees were established for all concerns with over fifty workers.
- (iv) The Economic Council was created as an organ of democratic government. This provided the representatives

.../.

of labour with an official platform from which to voice their views on economic policy.

These advances, however, were gained while France was still reeling from the ravages of war. Trade union policy was to promote the restoration of the economy, which was so urgently needed. 'Work now, claim later' was the slogan. A policy of class collaboration was advocated by the Communists. 'The strike is the weapon of big business' declared M. Thorez, the Communist leader when he was Deputy Prime-Minister. Many workers were indeed not a little astonished to find the trade unions so whole-heartedly backing the wage-freeze.

Throughout this period the Communists were buttressing their political power in the country by entrenching themselves in the CGT and by systematically replacing officials hostile to their policy. The authoritarian methods used did lasting damage to the cause of trade unionism. Membership began to decline. In the Renault works alone ten thousand out of twenty-six thousand trade unionists drifted away from the CGT between 1945-47.

The Communists' attempt to subvert trade unionism to their political ends met opposition at an early stage. At first every effort was made to preserve unity. But the situation steadily deteriorated. By the end of 1947 the last straw was reached with the calling of a politically inspired strike in the coal-mines. The socialists, the anarcho-syndicalists and other groups devoted to the principles of independent and democratic trade unionism were reluctantly forced to form their own separate organisation known as the Confédération Générale du Travail Force Ouvrière. (CGT - Workers' Force).

\*

\*

\*

With this split mass trade unionism came to an end in France. The trade union strength had ebbed to only 60% or so of the peak level attained only two years previously: the Communist dominated CGT retained some 2 million members; the Socialist CGT-FO won over 1 million; and the Roman Catholic CFTC about 700,000.

The picture has changed only slightly since 1947. The most notable development occurred as a result of the Hungarian uprising in 1956 when the CGT lost ground to the CGT-FO. Today the CGT has some 1.6 million members, according to its Secretary General, while the CGT-FO and the CFTC each account for about 800,000. None of these figures provides more than a rough order of magnitude, nor do they indicate the effective influence of these three main trade union centres.

An interesting guide is afforded by the results of elections for the various trade union delegations. For instance, in a typical large factory in the Paris region, the CGT candidates may well obtain 60% of

..../.

the votes for shop stewards, but only 40-50% for the delegates to the factory committees, and a mere 20% for the trade union representatives on the Social Security organisation. This example illustrates a remarkable degree of discrimination by the workers, and proves that their allegiances are by no means firmly fixed.

The three centres have distinguishing regional and industrial characteristics. The CGT is very influential in the coal mining, gas and electricity industries, and its support is concentrated in the North, especially where the Communist vote is greatest. The CGT-FO has a majority amongst the civil servants and clerical workers, and eclipses the CGT in the South where the Socialist and Radical vote is strong. The CFTC has its bases in the extreme east and west - Alsace and Brittany - and in other areas where the young Catholic students and workers organisations have been most active.

The three trade union centres - CGT, CGT-FO and CFTC - are organised on broadly similar lines. Each has a Bureau elected at the Congress held every two years, in theory. The Bureau is supported by an Executive Committee and a National Confederal Committee made up of representatives chosen on an industrial and a geographic basis: one from each of the various industrial federations such as leather and hides, foodstuffs, building, metal working etc., perhaps 30-35 all told; plus one from each of the 90 departmental (or county) regional organisations.

The trade unions are organised on an industrial basis. Usually there is only one union in any factory. Even the typists in a metallurgical works are unionised with the metal workers' federation. In addition a 'local union' (or trades council) brings together the industrial federations at departmental level.

Besides the three trade union centres, there are several small autonomous unions. Their combined membership is probably not more than 60,000, and no one of them operates on a national basis. Salaried staffs, executives and technicians are catered for by the independent CGC (Confédération Générale des Cadres), though there is a federation of engineers and technicians in each of the trade union centres. A majority of the teachers in the state schools have also opted for complete independence by joining the FE (Fédération de l'Enseignement).

\*

\*

\*

In terms of the traditional objectives of trade unionists, impressive achievements have been attained in the past fifteen years in France. Full employment has been sustained with only slight variations. Technological unemployment, arising from industrial modernisation, has remained below 1%. Moreover, the harsher effects of conversion to new

.../.

techniques has been much mitigated in recent years by the establishment of funds for supplementary unemployment relief.

On the other hand, the rise in productivity in recent years has not resulted in appreciably shorter working hours. Officially there is a 40 hour working week. In practice, owing to the labour shortage, the national average works out at 42 to 48 hours a week. This will not be eased until after 1965, when the present school bulge reaches working age. This population problem causes an additional burden through keeping social welfare and educational charges at a high level.

In fact the principal, if not the exclusive, cause of improved conditions since 1938 has been the extension of the social welfare system. Many thorough-going studies of the question have been made. These show that the real purchasing power of workers has scarcely risen in this period, higher wages being fully matched by higher prices and contributions for social insurance.

The French social insurance system, nevertheless, has many admirable features and has brought genuine benefits. In particular, its administration is carried out by the elected representatives of the insured. This method is now being re-examined but any change to bring it under state control would be stoutly resisted by the trade unions.

There is unfortunately nothing to compare with the British National Health Service, which is the envy of the French worker. At present medical attention is provided by some firms, and there are methods of recovering most of the costs through public or private insurance, but there are of course no substitute for a comprehensive service.

Equal pay for equal work for women is no empty slogan in France, and is fully effective in industry, above all for manual labour. But it is not certain how far the principle is applied either in clerical grades or in activities where male workers are generally preferred. It may also be noted that wages tend to be lowest in those industries, such as clothing, where there are many female workers.

As to nationalisation, it is true that the key sectors in energy, power and transport have been brought under public control and ownership. But several important industries, notably steel, remain in private hands, while those individual firms which are nationalised, such as Renault, function in practice like private concerns.

Despite the many shortcomings pointed out here, the situation in France might lead a casual observer to suppose that the central objectives of the trade union movement have been largely achieved. This may be so in terms of the problems of fifty years ago. But the questions

.../.

facing us in this age of the electronic brain are not the same as those in the days of the steam engine. In shaping our programme it is essential to look ahead to the 1970's and not be obsessed by the immediate postwar issues. Major reforms have to be undertaken in the structure of French society, which is in any case in a state of flux. The establishment of the Fifth Republic reflects this transitional stage and has itself brought about important changes.

The trade union movement is faced with a difficult dilemma in deciding what role it can play. The policy of the general strike coupled with local unrest has not proved particularly effective since the war. Recourse to systematic striking has a strong appeal for those who, recalling the great achievements of 1936 and 1945, search for means of unifying the working classes. But this technique stands condemned by the systematic Communist attempts to capture the movement. Only occasionally is unity spontaneously achieved, such as in reaction to the insurrection of the "ultras" of Algiers.

Two ugly extremes have to be avoided: submission to the harsh confirmity of Communist methods, and complete fragmentation and disillusion. It is still possible that, faced with the challenge of the Fifth Republic, the trade union movement will emerge from its long crisis and reunite on a democratic basis.

