



*European Communities
Commission
Press Release*

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September 22, 1976

+ THE RT HON GEORGE THOMSON : MANCHESTER COUNTY HALL

ADDRESS TO MEETING ON THE OCCASION OF THE VISIT BY THE DELEGATION
FROM THE COMMITTEE ON REGIONAL POLICY, REGIONAL PLANNING AND
TRANSPORT

MANCHESTER : 24TH SEPTEMBER, 1976. EMBARGO: 10 A.M.

I AM GLAD TO JOIN IN WELCOMING MEMBERS OF THE EUROPEAN PARLIAMENT TO THE NORTH WEST OF ENGLAND. THE FACT THAT WE HAVE A REGIONAL DEVELOPMENT FUND AT ALL OWES A GREAT DEAL TO THE PERSISTENCE AND VISION WITH WHICH THE EUROPEAN PARLIAMENT HAS PRESSED ON NATIONAL GOVERNMENTS THE NEED FOR A EUROPEAN REGIONAL POLICY. THIS VISIT TO THE NORTH WEST COMES AT A SPECIALLY SIGNIFICANT TIME. FOR WE ARE ON THE EVE OF AN IMPORTANT DEBATE IN THE PARLIAMENT THIS AUTUMN ON THE FUTURE OF THE REGIONAL POLICY OF THE COMMUNITY AFTER ITS PRESENT INITIAL PERIOD WHICH I HAVE SEEN LAUNCHED.

NEXT YEAR THE EUROPEAN COMMUNITY IS DUE TO TAKE MAJOR DECISIONS ON THE FUTURE OF ITS REGIONAL POLICY. THE COMMUNITY'S CONSTITUTION PROVIDES THAT THE FIRST WORD IN SUCH DECISIONS - THAT IS THE PROPOSALS ON WHICH THEY ARE BASED - LIES WITH US IN THE EUROPEAN COMMISSION, AND THE LAST WORD LIES WITH THE COUNCIL OF MINISTERS. BUT THERE IS NO DOUBT THAT THE VIEWS PUT FORWARD BY THE EUROPEAN PARLIAMENT, AGAINST THE BACKGROUND OF EXPERIENCE GAINED IN VISITS SUCH AS THIS, WILL CONTRIBUTE SUBSTANTIALLY TO THE EVENTUAL OUTCOME.

MORE PARTICULARLY, THERE IS EVERY LIKELIHOOD THAT FROM 1978 ONWARDS IT WILL BE THE EUROPEAN PARLIAMENT THAT HAS THE LAST WORD EACH YEAR ABOUT THE SIZE OF THE COMMUNITY REGIONAL FUND. THIS HAS NOT BEEN THE POSITION UP TO NOW. BUT THAT IT SOON WILL BE IS A TOKEN OF THE IMPORTANCE OF THIS WEEK'S VISIT. OF COURSE, BY THEN THE NORTH WEST OF ENGLAND SHOULD HAVE THE OPPORTUNITY NOT ONLY OF URGING VIEWS ON THE PARLIAMENT, AS YOU HAVE HAD THIS WEEK, BUT ALSO OF DIRECTLY ELECTING SOME OF ITS MEMBERS.

AT PRESENT THE INITIAL SIZE OF THE FUND AS FAR AS BRITAIN IS CONCERNED, IS POUNDS 150 MILLION FOR THE THREE YEARS 1975 TO 1977. OF THIS TOTAL OVER POUNDS 66 MILLION HAS ALREADY BEEN ALLOCATED. THE MAJORITY OF IT, ABOUT TWO-THIRDS, IS GOING TO LOCAL AUTHORITIES, AS A EUROPEAN CONTRIBUTION TO THE COST OF CAPITAL WORKS CONNEXED WITH THE INDUSTRIAL REGENERATION OF THEIR AREAS. THUS THE FUND HAS A DOUBLE RELEVANCE TO BRITAIN'S PRESENT NEEDS. IT IS PROVIDING SUPPLEMENTARY CASH FOR HARD PRESSED LOCAL AUTHORITIES FACING UNPRECEDENTED FINANCIAL DIFFICULTIES. AND IT IS MAKING MONEY AVAILABLE FOR THE INDUSTRIAL INFRASTRUCTURE THAT IS THE ESSENTIAL FOUNDATION FOR THE NEW PRODUCTIVE INVESTMENT THAT IS SO BADLY NEEDED TO REDUCE THE PRESENT APPALLING LEVEL OF UNEMPLOYMENT.

I KNOW THERE HAS BEEN SOME DISAPPOINTMENT IN PARTS OF BRITAIN SUCH AS THIS, WHICH ARE OFFICIALLY CLASSIFIED BY THE GOVERNMENT AS INTERMEDIATE AREAS, THAT THEY HAVE NOT BEEN RECEIVING A LARGER SHARE OF THIS EUROPEAN CASH BONUS. THE REASON IS SIMPLY THAT WITH LIMITED FUNDS WE HAVE TO APPLY PRIORITIES. IT MUST BE PRIMARILY THE BRITISH GOVERNMENT WHICH DECIDES THE PRIORITIES AS BETWEEN DIFFERENT PARTS OF BRITAIN. APART FROM ANY OTHER CONSIDERATIONS, WE HAVE LESS THAN FIFTY OFFICIALS IN BRUSSELS ADMINISTERING THE REGIONAL FUND. IF WE WERE ASKED TO DETERMINE WHETHER SOMETHING IN LIVERPOOL OUGHT TO HAVE PRIORITY OVER SOMETHING IN MANCHESTER, WE WOULD CREATE A GREAT BUREAUCRATIC BOTTLENECK WHILE THOUSANDS OF SUCH DECISIONS WERE TAKEN - AND IT WOULD NOT NECESSARILY BE THE RIGHT DECISION AT THAT.

THIS DOES NOT MEAN THAT IN ANYWAY THE COMMISSION ACTS SIMPLY AS A RUBBER STAMP. THE NATIONAL GOVERNMENT DECIDES ITS NATIONAL PRIORITIES. THE COMMUNITY DECIDES WHETHER THESE ARE CONSISTENT WITH COMMUNITY PRIORITIES AND ENJOY A COMMUNITY CONSENSUS AS LEGITIMATE WAYS IN WHICH, FOR EXAMPLE, THE TAXPAYERS OF HAMBURG CAN BE ASKED TO ASSIST THE DEVELOPMENT OF MERSEYSIDE. MANY NATIONAL APPLICATIONS ARE PUT TO ONE SIDE DURING THE COMMUNITY SELECTION. IN OUR VIEW, AND THE GOVERNMENT 'S TOO, I THINK, PRIORITIES FOR THE USE OF THE FUND SHOULD BE TO CREATE A MODERN INDUSTRIAL STRUCTURE WHICH WILL STAND ON ITS OWN FEET AND PROVIDE LONG TERM EMPLOYMENT PROSPECTS, RATHER THAN SIMPLY PROPPING UP SOMETHING THAT HAS NO REAL FUTURE IN PROVIDING JOBS. THE TAXPAYERS OF THE CONTINENT ARE MAKING THIS MONEY AVAILABLE TO HELP PUT RIGHT THE DEEP-SEATED WEAKNESSES OF THE REGIONS, RATHER THAN SIMPLY APPLYING A TEMPORARY STICKING PLASTER TO A WOUND WHICH NEEDS LONG TERM MEDICAL TREATMENT TO DEAL WITH THE UNDERLYING SYMPTOMS.

THUS, WITHIN THE UNITED KINGDOM THE LARGEST PROPORTIONATE SHARE OF THE FUND IS GOING NOT TO SCOTLAND OR WALES, AS HAS SOMETIMES BEEN SUPPOSED, BUT TO NORTHERN IRELAND. ULSTER, WITH A GREAT POTENTIAL BUT ALSO FUNDAMENTAL ECONOMIC DIFFICULTIES QUITE APART FROM ITS OTHER PROBLEMS, IS GETTING 20-0/0 OF THE BRITISH ALLOCATION FROM THE FUND. AFTER NORTHERN IRELAND, THE SPECIAL DEVELOPMENT AREAS AND DEVELOPMENT AREAS OF ENGLAND, WALES AND SCOTLAND MUST TAKE PRIORITY OVER THE INTERMEDIATE AREAS. INDEED, THE FUND REGULATION EXPLICITLY REQUIRES IT.

THE EUROPEAN REGIONAL FUND HAS SO FAR ONLY MADE A START. IT HAS BEEN RUNNING FOR JUST OVER TWELVE MONTHS. NEXT YEAR THE NINE GOVERNMENTS OF THE E.E.C. ARE TO REVIEW EXPERIENCE SO FAR AND TAKE THEIR DECISIONS ABOUT THE FUTURE. ALREADY THE PRESENT FUND IS MAKING SOME REAL PRACTICAL CONTRIBUTION IN ALL PARTS OF THE BRITISH ASSISTED AREAS. IT IS BRINGING ABOUT A REAL TRANSFER OF RESOURCES FROM THE RICHER COUNTRIES OF EUROPE TOWARDS THOSE WITH THE MOST INTRACTABLE REGIONAL PROBLEMS.

AT THE SAME TIME THE FUND IS NOT YET PERFECT, AND IN THE NEXT STAGE, FROM 1973 ONWARDS, WE MEAN TO GET IT BETTER. A PARTICULARLY IMPORTANT POINT IN PLANNING THE FUTURE OF THE FUND IS TO COORDINATE IT FULLY WITH THE WORK OF THE OTHER COMMUNITY FUNDS THAT BRING ASSISTANCE FROM EUROPE INTO AREAS LIKE THE NORTH-WEST OF ENGLAND. TOGETHER WITH THE COAL AND STEEL FUNDS OF THE COMMUNITY, THE AGRICULTURAL FUND, THE EUROPEAN SOCIAL FUND FOR JOB RETRAINING AND HELPING WITH PROBLEMS OF URBAN POVERTY, AND THE LOAN FUNDS OF THE EUROPEAN INVESTMENT BANK, THE REGIONAL FUND AND REGIONAL POLICY OF THE EUROPEAN COMMUNITY MUST MAKE AN INTEGRATED CONTRIBUTION TOWARDS DEVELOPING THE FUTURE OF REGIONS LIKE THIS ONE. AND WITHOUT A PROSPEROUS NORTH-WEST OF ENGLAND, A UNITED EUROPE WILL NEVER REALISE ITS FULL LONG-TERM POTENTIAL.

+ MR. JOHN EVANS, CHAIRMAN OF THE EUROPEAN PARLIAMENTARY COMMITTEE ON PLANNING AND REGIONAL POLICY AND TRANSPORT HAS INVITED MR. THOMSON TO TAKE PART IN A PRESS CONFERENCE WHICH WILL TAKE PLACE AT 12.30 P.M. AT THE MANCHESTER COUNTY HALL.