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EUROPE NEEDS A SWITCH OF RESOURCES, SAYS MR RICHARD

The European Commission must make proposals for allocating Community resources in a way better fitted to combat the economic and social problems facing the people of Europe, Commissioner Ivor Richard said in London today.

Speaking at a meeting of the European Atlantic Group, Mr Richard said that an agricultural policy, plus a common market, was not enough for Europe in the '80s.

"This is why the Budget restructuring exercise is so important: we in the Commission must produce a proposal which will clearly attempt to allocate the resources of the Community in a way best fitted to combat the economic and social problems facing the people of Europe. If we fail to do this, then I believe the strain within the Community could become intolerable. But if the real problems now facing Europe are industrial and urban, the question arises how we can as a Community of Ten hope to resolve them.

"The Community's resources have to be reorganised. Our aim should be to ensure that more Community money goes into Social, Industrial and Regional budgets, which can and do contribute to mitigating the present difficulties facing Europe. Agriculture is now not a problem. Not only does Europe feed itself; we do it in such a way as to produce far more food than we can possibly consume, and buy it at prices which encourage that over-production."

At the moment, said Mr Richard, expenditure on social policies was confused. "It arises from different treaty provisions, which produce absurdities such as the fact that the Community can help in the case of redundant miners but not for redundant textile or shipyard workers. Unfortunately the Council of Ministers has not yet shown any enthusiasm at all for extending these powers to other areas. It is really quite disgraceful that, in this same context, the social volet for steel remains blocked.

"The present concentration of Social Fund expenditure on training is sometimes to the detriment of job creation schemes. Of the 10 million jobs created in the United States in the last decade, three-quarters have been in enterprises employing fewer than 20 people, and overwhelmingly in the services sectors. More money spent in encouraging small-scale job creation schemes seems to me to offer a real possibility of finding work for some of the present unemployed. We need to encourage resource centres, and such schemes as BSC Industries are running successfully in Wales and Scotland, where help is given in finding accomodation and where advice and finance is more easily available.

"I am concerned to try and ensure that industrial policy in all its ramifications - regional, industrial, social and technological - should have a far higher priority in Community affairs. The Commission cannot solve the industrial problems of Europe. But it could make a much larger contribution if it were allowed to. Whether it is coal, steel, the new technologies, textiles, cars, or relations with Japan and the United States, the problems can be solved better in a European rather than a national context."