

ADDRESS BY THE RIGHT HON ROY JENKINS, PRESIDENT OF THE COMMISSION  
OF THE EUROPEAN COMMUNITIES, TO THE CONFEDERATION OF BRITISH  
INDUSTRY ANNUAL DINNER

London, 16th May 1979

---

I am grateful to you, Mr President, for proposing that the theme for the CBI Annual Dinner should be Europe. Both the choice and the timing are particularly apt. The theme of Europe is the more appropriate as a new British Government gets down to the basic task of charting the course of Britain's relations with the Community, not just the tactics of monthly meetings of the Council of Ministers, but the strategic way ahead.

Changes of Government, while taking place almost with the smoothness of the changing of the guard at Buckingham Palace, have nonetheless over the past two decades presaged reversals and re-reversals of policies which have been most damaging for our economic performance. I have for some time thought that a good test of the

/inherent value of any

inherent value of any major legislative measure is whether it is likely to survive the next political tilt. This does not mean that we must always go for soggy compromises and that no difficult or contentious measures should ever be undertaken. A sharp change of direction may sometimes be necessary. Some of the major and most permanent changes in our history have been bitterly controversial at the time: the first Reform Bill or the Repeal of the Corn Laws in the last century; the first approaches to the Welfare State or the curbing of the absolute powers of the House of Lords at the beginning of this century; the start of commercial television in the fifties. They were all deeply controversial at the time, but they were all irreversible in the properly democratic sense, irreversible because they were sufficiently in tune with the needs of people and country that no sensible party could successfully seek votes on the basis of a reversal. How different this has been for many of the unwanted, irrelevant, too easily reversible measures of the previous decade or so: various national superannuation schemes in the sixties and early seventies; the nationalisation, denationalisation or renationalisation of this or that industry; whether a

/board called X

board called X or called Y should attempt to deal with prices or incomes or both.

Industry and the economy as a whole need in my view a greater stability of policy. We could avoid a lot of unnecessary upheaval, a lot of useless over-legislation, if Ministers would ask themselves the simple question: has any measure a good chance of lasting? If so, and you believe in it, do it. If not, spare us from too many queasy rides on the ideological big dipper.

But I must return to my European last. Your theme this evening is particularly appropriate in the run-up to an historic event, direct elections to the European Parliament, when in three weeks' time over 180 million European electors from Greenland to Sicily will have the opportunity to vote in perhaps the first international election of its kind ever held.

/At times

At times in the recent past it seemed to many in Europe that the brave venture of the 1950s and 1960s was beginning to stagnate politically as well as economically, that it had lost the will and spirit to cope with the many challenges facing us or to make the necessary progress towards longstanding objectives. Let me offer you three reasons why I believe that such a picture - a picture of the European coach shunted off the mainline into some quiet siding - is not true of 1979, if indeed it was ever true. First there was the decision to put in place the new European Monetary System. The EMS is, of course, a new instrument. It has only just been forged and perhaps its time of testing is yet to come. Nevertheless, I am convinced that it is an instrument of potentially vital importance capable of transforming the prevailing economic climate. Second, there are direct elections themselves. Third, there is the fact that three newly re-born democracies in Southern Europe are clamouring both to symbolise and to underpin their return to democracy by urgently seeking entry to the family of the European Community. Greece will be a member at the beginning of 1981.

/We are already

We are already in negotiation with Spain and Portugal. That, whatever else it is, is not a picture of a stagnant Community.

Against this background of movement and action, where should we in Britain be putting the emphasis? We must be clear on one essential issue: that we are trying to achieve results for ourselves within the Community, and for the Community in the world, and not, consciously or unconsciously, skilfully or frivolously, trying to create either the reality or the illusion of a break scenario, in which we might try to reverse the referendum, or at least retire growling into some largely non-participating semi-overt half-membership?

The British people showed no desire to contradict this month what they said so clearly and with such overwhelming force at the referendum in 1975. They want a positive, not a negative role in Europe; they want a constructive, not a destructive approach; they want skill in the presentation and handling of British interests allied to a vision about the relationship of those  
/interests to the

interests to the interest of Europe as a whole. Above all they want sensible cooperation not desperate confrontation in Europe. And I welcome the way in which the new British Government has begun its task underlining its essential commitment to the principles of the Community without sacrificing its concern for issues of concern to Britain. That is the only way ahead. Of that I am absolutely convinced.

Let us be in no doubt about what would be involved if we were tempted by the other choice. It would show an almost incredible inconstancy of purpose. We would be reversing within a few years the whole carefully built, democratically decided orientation of our economic and foreign policy. In the process we would irrecoverably damage our national influence and reputation. Traditionally we were rich and powerful, qualities which nearly always earn respect, sometimes esteem and occasionally affection. Then a generation ago we were remarkably steadfast. When the other attributes were going, that sustained us for half of the post-war period. If we lost all three we are nothing.

/As a bargaining

As a bargaining card the hint of the threat of withdrawal, or of sullen non-cooperation, is useless. We do have a good deal to bargain for in the Community. The CAP is in urgent need of being saved from its own distortions. A rigorous price policy, a price freeze for this year at least in surplus products is essential if we are to rebalance the markets. That is the Commission's view. It is also, I believe, the view that most other Governments, even if a little reluctantly know in their hearts is right. But British speakers and commentators do not help to advance this view

- by pretending that without the CAP all problems of agricultural support would disappear and we would all live happily in a free trade world of cheap food imports. If we had continued outside with our own deficiency payments system it would probably have cost the British budget around £1,100 million in 1978;
- by standing out for long from the central mechanism of the EMS, now intimately linked with the agricultural problem, oblivious of the lessons of our two previous /late arrivals, into the

into the Coal and Steel Community and into the Economic Community itself.

There is also of course a general budgetary problem for Britain. It should not be seen out of proportion, but it certainly exists. Our total contribution to the Community budget last year was about £10 a head, compared with the total cost to government in Britain of nearly £1000 a head. Even if we were so unfairly treated that we got nothing back directly, which is of course far from the case, we would still be better off than outside on our own; in the cold. But it is nonetheless very much better that we should be fairly treated. And that I believe will be the case. The Community could not have survived and strengthened over 22 years without dealing with justified grievances. The British case needs however to be played with particular skill and in a framework of sympathy and goodwill. Why? For the very simple reason that the financial arrangements of which we complain were negotiated or renegotiated by Britain in 1974/75 (when the last thing anyone else wanted at that stage was a renegotiation).

(All this the CBI



All this the CBI knows and understands. And I have long valued the support and interest that you have shown in European matters. You have provided a firm voice, the voice of clear sighted commonsense which perceives and argues that only as an active and involved member of the European Community can Britain make its own distinctive contribution in the world, economically and politically.

But there is still much to be done, not least to improve the internal market which is of the essence of the Community system. I am conscious before this audience that at present the formalities which you encounter in your efforts to take advantage of the larger European Market can be severe. The Commission wants to reduce these technical and non-tariff barriers to trade. There are many areas where we want progress and will work to achieve progress: differing national standards, and licensing arrangements, public purchasing contracts, the creation of a European company statute, a European trade mark system, the harmonisation of company law. These /are all fields where

are all fields where much can be done, where much should be done, where I hope much will be done.

Let me simply emphasise two points about our policies affecting trade and industry in the common market.

First, we do not want in our industrial policies to intervene for the sake of intervening at the European level, or to upset the balance of the mixed economy by ever-increasing government involvement. But with the sombre facts of unemployment and overcapacity, with the crisis that has hit several industries, it is obvious that public intervention has been and will be needed. Since unemployment has no religion, and respects no boundaries, it cannot be cured by action at the purely national level. Likewise with the older industries, whether textiles, shipbuilding, steel, or heavy engineering, uncoordinated national intervention can be ineffective or even counterproductive.

/Second, we do not

Second, we do not want to impose a standardised uniformity on all goods and practices. Since I have been at the Commission, we have acted to undercut the mistaken impression that we operate under a slogan "if it moves, harmonise it". Here I go back to my earlier remarks about legislation and over legislation. They apply as much to the work of the Commission as to that of any member government. It must be clear that proposals are really necessary; that they will promote trade within the Community; that they can be justified in terms of the staff required; that the job is better done at Community level; and that the results will last. In short, our priority is and will continue to be that proposals for harmonisation should be in recognition and in response to a real and demonstrable need for the strengthening of the market.

Europe is sometimes accused of having lost its way, the grand lines have petered out in a morass of detail. I half agree. We do a lot of quibbling. Vision sometimes perishes, and Europe's united policy impact on the world does not always prosper.

/Great enterprises

Great enterprises involve a combination of detail and vision. This has always been true of good Governments. It is true in the European context. Jean Monnet, the great father of the Community and whose death we mourned in March, did not forget his detail. We should not throw out the baby with the bathwater. We should be selective in our detail, but we should neither abandon our determination to remove the remaining and substantial imperfection of the Common Market (which can be of great value to British industry) nor let the Treaties, in a Community which must be a Community of law, be blatantly ignored.

But, this said, there is a deeper truth. The Common Market is only part of the idea of the European Community. That idea has always been fundamentally political, to give Europe back at least part of the place in the world which it so wantonly threw away over two generations of civil war. Perhaps occasionally the momentum flags, the inspiration is occasionally lacking. But if we in Britain feel that, for God's sake, let us not complain too much from the sidelines. Let us get in and do something about it. The opportunity is still there.