

Ch. President
Roy Jenkins

SPEECH TO THE INSTITUTE OF FOREIGN RELATIONS, PEKING:

24 FEBRUARY 1979

It is a great pleasure to have the opportunity of speaking again to the Institute of Foreign Relations. I last addressed you on 3 September 1973 when, as I recall, my theme was world affairs. This gave me an opportunity to range very widely. This time I propose to be more specific, and to talk about the European Community and its place in world affairs. Even so, I think you will find that I shall range fairly widely this time as well.

I do not have to explain to so distinguished and learned an audience what the European Community is, how it works and where it is going. But the Community is so unlike any other institution and has so many characteristics of its own that a few preliminary words of background may be useful. I have found that those who are not members of the Community or who are far away from it sometimes tend to see it in their own image. Thus Americans often look on it as a beginning of a United States of Europe while those who cherish the notion of the old nation state see it as just another international organisation with powers to do little more than coordinate and advise.

The truth is different. Because the Community is a living organism, and evolves, like all living organisms, by a combination of slow natural selection and sudden mutation, it is less easy to describe than a student of the Treaty of Rome might think. We are indeed rooted in a Treaty, and sometimes we have to look at our roots. But the Community which was designed for the original six countries of Western Europe, and was subsequently enlarged to nine, has developed in ways which I doubt if its founders expected. It has grown further in some directions, and less far in others. Stated very briefly, the Community, now composed of nine states and likely to be enlarged again to twelve, consists of four main Institutions: the Council of Ministers from the nine Member States; the Commission over which I have the honour to preside; the Parliament; and the Court of Justice. Outside the citadel whose foundations were established by the Treaty is what I might describe as the suburb of political cooperation, a mechanism intended to coordinate the foreign policies of the Member States. Then there is since 1974 the European Council - distinct from the Council of Ministers - where the Heads of State and Government of the Nine come together three times a year to shape the destiny of the Community as a whole.

/I know that

I know that those who have to deal with the Community sometimes find it difficult to understand. There are areas of activity and policy which rest entirely with Member Governments. There are mixed areas where the Member Governments and the Community share responsibility; and there are areas where the Community has full competence. The Court of Justice is there to see that that competence is respected. In our partition of functions the Commission has the primary tasks of proposing policies and then, after the Council of Ministers has taken the necessary decisions, putting them into effect. But the Commission has an independent political role of its own and is accountable to the Parliament. It seeks to represent the European interest, which is not always the same as that of the Member States. The Commission is in a special sense the guardian of the Treaty, subject always, like the Council and the Member States, to the control exercised by the Court. I should add that the judgments of the Court have been an important element in the integration of the Community.

The fundamental objective of the Community remains the same as at its creation over twenty years ago: the ever closer union of the peoples of Europe. To this end we have created a common market, based on the free movement of goods, people, services and capital, and common policies to govern the development of our economies. In the 1960s we made rapid progress towards the creation of a common agricultural policy, a common commercial policy, and the establishment of a customs union. We are now working to create common industrial, energy, social, regional and fisheries policies (to name but a few of them). Acceptance of such policies requires increasing similarity of living and working standards throughout the Community, and a high degree of mutual dependence. I will not conceal from you that, following the enlargement of the Community in 1973 and the disturbances at that time caused among other things by the drastic rise in oil prices, progress since then has been slower and more hesitant than we would have liked. But now we are entering a new phase of dynamism.

There are three axes of advance for the Community. The first is the holding of direct elections to the European Parliament or Assembly in June this year. For the first time the 260 million inhabitants of Europe will have the opportunity directly to choose their representatives in the European Parliament. Previously they were nominated by the Parliaments of the Nine Member States. Thus the Parliament will acquire a new democratic legitimacy, and the link between the peoples of Europe and the institutions of the Community will be greatly strengthened. The powers of the Parliament are laid down in the Treaty and subsequent instruments. They are limited but real. They will not change as a result of direct elections, but I have no doubt that the moral authority and influence of the new Parliament among our institutions will be substantially increased.

/ Secondly. there

Secondly there is the now imminent prospect of further enlargement of the Community to include Greece, Portugal and Spain. These countries, which have all recently liberated themselves from authoritarian and undemocratic regimes are eager and qualified to join the Community. We much welcome them. They will have a great contribution to make. At the same time there are problems of adjustment to be solved both on their side and on the side of the existing Community. One of the most important on ours will be to strengthen the central mechanisms of the Community to improve the decision making process and enable us to carry the weight of wider membership.

Thirdly, and perhaps the most important, the Community is seeking to remedy what was, perhaps one of the defects or gaps in the Treaty of Rome. In the long run a common market without a common money system makes little sense. I do not think it would be easy to govern China today if you had exchange controls on every border between every province and different currencies, some strong, some weak, which constantly fluctuated against each other. Europe has suffered greatly from the disorders of the international monetary system in recent years, more so than countries with large internal markets free from internal monetary division. We are now seeking to put that right in creating a European Monetary System designed first to put our own monetary affairs in order and secondly to contribute to the greater stability of the world monetary system as a whole.

So much for the internal evolution of the Community. I now turn to what is perhaps the most important area of Community responsibility for those who see the Community from outside. I refer to the responsibility of the Community as such for external trade. Taken together the Community forms the world's largest trading bloc, and its external and internal trade accounts for about 40 per cent of the world's total. This means that our trade is substantially greater than that of either the United States or Japan. When I hear about your plans to increase China's trade with the United States and Japan, I think it worth reminding you not only of the greater volume and greater diversity of the Community's trade, but also of the Community's greater interest in trade as a proportion of gross national product. As the Community has developed and become more cohesive, so its weight in international affairs has become more pronounced, more pronounced than many Europeans themselves always realise. We are certainly not an irresponsible giant; but a giant we are, and it may be useful to look in more detail at that trade which is the lifeblood of the giant.

Western Europe is the oldest industrial area of the world. Indeed the Industrial Revolution, which has so changed the face of human society, began in my own country and developed in Western Europe before it spread elsewhere. Yet although we may have had the advantages of being first in the field, we have also had some of the disadvantages. Indeed it can be argued that because parts of our industrial

imported energy and raw materials, we are no longer in the same advanced category as that of the United States, the Soviet Union or Japan. The pattern of our trade could be interpreted to support this view, with our deficits with the United States and Japan and our surpluses with less industrialised parts of the world. Yet I believe such an analysis to be superficial. As I have already explained, the development of our economy has been impeded by monetary and other disorders in the last few years, and we have not been able to maintain the processes of growth and renewal to the extent we would like. We remain leaders in some-fields, and we shall soon be leaders again in others. As you yourselves know from the equipment you are buying from us, much of our industry and our technology combines the advantages of experience with those of innovation. With the creation of the European Monetary System we shall, I trust, be moving forward again across the whole front of our economy.

As a major industrial power, the Community has particular links of interest and responsibility with the other industrial powers. These have recently been recognised in the series of Economic Summit meetings, which seem to have settled into a regular rhythm. As you know these Summit Meetings are not mere talking shops. At the last one I attended for the Community in Bonn in July 1978, the participants entered into specific economic commitments in recognition of their increasing interdependence. No country is an island. The operation of each major economy depends critically on the operation of the others. Thus at recent summit meetings we have jointly considered such matters as growth, inflation and unemployment, monetary matters, energy, international trade and the relationship between the industrial countries and the rest of the world. In all these areas the Community as such has had a major contribution to make and major responsibilities to carry.

I said that no country was an island. I should add that no group of countries can act as if they were an island either. The world must be seen as one. Nowhere is this better understood than in Europe. By virtue of its history and traditions and by the nature of its resources, Europe has looked out to the rest of the world for half a millenium, and remains, as I have said, more dependent on international trade than any other industrial power. Just as we have found it intolerable for the very rich and the very poor to live side by side in the same society, so we now find it intolerable that the world should contain the disparities of wealth between peoples and continents which we all know too well. The Community has accepted particular responsibilities in respect of 55 African, Caribbean and Pacific countries in the Lomé Convention, which we are now in the process of renegotiating for its renewal in 1980. We also have trade agreements and other links with the countries across the world with which we are tied by history, interest and friendship. Those links are becoming more important every day. I shall have something particular to say about our links with China, but in passing I refer to the framework trade agreement which we negotiated with you in April last year and in which we place great hopes for the future. I stress the importance we attach to working with you and others for a new and more equitable world

economic order in which the resources of our planet are better used and more justly distributed.

I have not so far spoken about our relations with the countries of Eastern Europe and the Soviet Union. This is not because we do not want to establish normal relations with them as neighbours, nor because we do not want to develop our trade with them as we have with the rest of the world. But you will be aware that there are problems. Some countries - notably the Soviet Union - have been reluctant to recognise the existence and competences of the Community. But we are now engaged in negotiations which we greatly hope will lead us out of our present difficulties and enable us to conclude appropriate trade agreements with the Soviet Union and the countries of Eastern Europe for the mutual benefit of all concerned.

I have left my remarks about our relationship with China to the end of my talk because it falls into a category of its own. I do not want to enter into semantic dispute, but I suggest that China is neither a member of the first world, nor of the second world, nor of the third world, but rather, at least in its potentialities, a member of all three. Your economy, like your history and civilisation, is rich in diversity. Your development, both agricultural and industrial, is proceeding with great rapidity. The inventiveness, discipline and dedication of your people are legendary. I can think of no better partner for the Community and other industrial countries than China, which has so much to give the rest of the world as well as to receive from it. Indeed if the progress of industrial society is in some places and respects faltering, it may well be in China with a fifth of the world's population where we rediscover that historic impulse of demand which could enable us to continue and extend the rise in living standards throughout the world which has fuelled the world economy since the end of the last world war.

China has indeed a great deal to give. I think that some have a tendency to forget the immense debt which the world already owes China. So much was invented here. The list is too long to enumerate. When Charlemagne was little more than a war lord, the Emperors of the T'ang Dynasty were presiding over the most advanced civilisation which the world had then known. Under their Sung successors China almost achieved the point of industrial take-off which was not attained in Europe for many centuries. If China later turned in on itself and burnt the ships which had carried your people to Africa, the Middle East and South East Asia, the China of today is turned resolutely outwards again. I am immensely impressed by the scientific and technical revolution which has already taken place. Now 30 years after the establishment of the People's Republic, in such fields as electronics, computers, high energy physics, machine tools, seismology, medicine, space technology and development of energy including nuclear resources, you can fully hold your own with other industrial powers. Moreover, I believe that you are achieving something which many others still find difficult, conveying the application

of science and technology to the people of China so that all may feel personally and directly involved in the enterprise of industrial, agricultural and general economic development.

Such development is not of course an end or a virtue in itself. It serves the greater aim of creating a world in which it is more worthwhile to live, a world in which human beings can realise their full potentialities. We have to protect and cherish our natural environment, recognise the finite character of many of our resources, and prevent the runaway increase in the numbers of the human species which would, if uncontrolled, lead to the frustration of our policies and the destruction of all we are seeking to achieve.

The peoples of China and Europe are the inheritors of the longest and most fruitful civilisation which the world has known. We live in a world in which the applications of science have brought all men close together in one crowded planet, and the shape of a single human society is beginning to emerge. In that society we must cherish diversity but establish a greater sense of our common destiny. We will not necessarily agree with each other on everything; but there are no deep conflicts of interest which divide us. But it is a perilous world in which we live. We all work for progress but know that progress is not always assured. We want good and prosperous relations with all members of the international family, and we want peace and stability in all areas of the world.

Both China and Europe have great responsibilities: in understanding and accepting them, and in working closely together, we have the prospect of a future which will shine at least as brightly as the glories of our past.

ooooo000ooooo