uropean community PRESS RELEASE

EUROPEAN COMMUNITY INFORMATION SERVICE

2100 M Street Northwest, Suite 707, Washington, D.C. 20037 Telephone: (202) 872-8350
New York Office: 245 East 47th Street, New York, N.Y. 10017 Telephone: (212) 371-3890

No. 1/1977

January 27, 1977

EMBARGO: January 28, 1977
10:00 PM EST
9:00 PM CST
8:00 PM MST
7:00 PM PST

INTERVIEW WITH ROY JENKINS,

PRESIDENT OF THE EUROPEAN COMMISSION,

BY MARTIN AGRONSKY, ON "AGRONSKY AT LARGE",

WETA TV, CHANNEL 26

WASHINGTON, D.C.

TRANSMISSION: 10:00 PM

AGRONSKY: Mr. Jenkins, why did you give up a very significant political career in England, Chancellor of the Exchequer, Home Secretary, leave your country, which is in truly desperate economic trouble at this point, to come to the Common Market, the EEC?

JENKINS: Because I thought it was much the most important, difficult task which I could undertake for the next few years. I didn't have direct economic responsibility recently. I did during a fairly difficult period, from 1967 to 1970, when I discharged my task then to the best of my ability and we did manage to turn things around, and I believe they can be turned around again in Britain. I don't quite like the concept, leaving Britain. I am going to spend most of my time, as it happens 250 miles away from London in Brussels, so I'll be in England a certain amount.

But Britain is part of the European Community. What happens in the European Communtiy is crucial for Britain, as it is for the other eight members, and indeed for many countries outside the Community, and to play an important role in this, I don't take quite as depressed a view about the state of the Community at the present.

AGRONSKY: You don't?

JENKINS: I don't, quite, no. But clearly, one is facing a very considerable challenge. I don't regard it as leaving my country; I regard it as serving my country on a wider, and for the moment, more important stage.

AGRONSKY: And may I point out to you that the British Foreign Minister, Mr. Crosland, has made the observation, and a rather pessimistic observation, in which he said that the chances, as he puts it, for progress in political and economic integration seem to have worsened in the last two or three years, and that he feels that the final shape of the European Community, which you're now going to head, will be decided, not now, but by our children and grandchildren.

JENKINS: Well, let me make some comments on that very interesting remark by one of my oldest political friends. First of all, the latter part of it; the final shape will be determined by our children and our grandchildren. Well, of course, it will. Indeed, you might say that was a bit premature. If somebody in 1776 had said the final shape of the United States was going to be determined by our children and our grandchildren, that wouldn't have been a pessimistic remark. The final shape of any evolving institution is going to be determined in the future, and none of us can say exactly what Europe will be like in the year 2000 or beyond the year 2000. But if by that he meant - which I don't necessarily take the view that he did - but if by that he meant let's leave it to our children and our grandchildren, do nothing about it ourselves, then I disagree with that very strongly indeed. Taking it with the earlier part, however, I don't think he means that for a moment; I think we've got to make what progress we can at the present time, and it is a rather critical time. Now, coming to the earlier part of his remark, because this takes us so much to the guts of the issue here, the prospects have got worse in the past few years. It's not been a very good or a very easy time. Why has it not?

AGRONSKY: Well, let me ask you to address yourself to something very specific. Let's talk about the gross national product of the European Community, if you like - or the gross product of the whole Community. As you know, this year it's gone down again. It was 4.5 per cent the first semester. It's gone down to 2.5 per cent growth in the second semester, which is, by the way, better than 1975, but is very disappointing.

JENKINS: You mean the increase, not the gross national product but the growth -

AGRONSKY: The growth of it.

JENKINS: The growth of the gross national product has gone down, of course. It's a very difficult time, it's a very difficult time for Europe. It's a very difficult time for the world - the whole developed world, and for most of the underdeveloped world, too, a terribly difficult time, economically, and we've all been in a much more difficult economic climate since the end of '73. That was a fairly dramatic change, and that's what caused the difficulties. The problems - Crosland, for instance made that remark saying prospects have been more difficult in the past few years. But what really happened, the European idea, in its modern form, came out of the postwar desire to get rid of this total mess we've made of our affairs in two European civil wars, and to make that impossible in the future, the motive was essentially political. The means chosen were economic, with the foundation of the various communities. We were fortified at that stage - as a matter of fact, we had a vivid fear in our stomach of the threat from the east; then in the '60s and the early '70s we were carried forward on the wind of rapidly growing and fairly easy prosperity and we moved a considerable direction towards integration. The achievements have been very considerable indeed. We have made a Common Market in Europe. We've made something more than that. Since '73, however, we've had a much rougher climate, and we have not reacted to that by coming closer together. We haven't gone back further apart. We haven't destroyed anything we've built, but it has not been a great period of advance.

AGRONSKY: Let me demonstrate one very specific problem that affects your own country, Britain. As I understand it, it costs the EEC, the Common Market, something like one and a half to two million dollars a day, even more, to underwrite for Britain's agricultural products now in the Common Market operation. Is that correct?

JENKINS: What is correct at the present time is that owing to the depreciation of sterling and the way the Common Market adjusts to deal with the problem of currencies moving apart from each other, that we do get substantial subsidies of that sort. We also pay a good deal of money in. There are varying balancing factors, so far as that is concerned. That is only a part of the picture. This mechanism was created in 1969, before we were in, when the French franc and the German mark diverged from each other, and this mechanism came into being and began to move money in this way in order to deal with currency divergencies as it affected the Common Market. It's not a new thing relating to Britain, but as sterling has been depreciated, it's a big factor at the present time, certainly.

AGRONSKY: How real are the prospects of an effective economic union?

Look, the British are in bad trouble economically. They are a weak partner in the Common Market. The Italians are moving into even worse trouble. The French aren't doing as well as they had hoped. Only the Germans, ironically, defeated in the two European civil wars, as you describe them, are the strongest member, with the Benelux nations. They, in effect, are underwriting financially, they are the strong partners in the European Economic Community. Now down the line, you already have Greece seeking admission, with a very, very poor economy; Portugal, with a very, very poor economy, seeking admission; Spain, with a very poor economy - not as bad as Portugal and Greece, certainly, but Spain, in a very uncertain economic position, seeking it. How can the European Economic Community handle it? Is the strength there?

JENKINS: Well, it does put these questions of possible enlargement in the future, does put strains on the Community, but let's look at the Community as it is at the present time. As you rightly say, Germany is much the strongest country in it, and has become relatively stronger still economically recently, but Germany wants the Community very much. There's no tendency in Germany at all to say, let's get rid of the Community, we'd be much better off on our own. The Germans are far too aware of the past for there to be any tendency to that today to be said, and indeed, there was no indication of that, really, on either side in the recent German elections. Germany has been one of the most Community-minded of the countries. There's still a great feeling of a great desire to make a success of the Community in Germany and therefore it's not just a question of our hanging onto German coattails. Germany needs the Community and knows she needs the Community and does not want to be separated from other countries in this way.

Now, one comes to the second question of, can we handle this question of other European countries anxious to join, other poorer countries knocking at the door and saying, can we come in? As far as Greece is concerned, the negotiations are in progress at the moment. I would not disguise from you for a moment that further enlargement of the Community along the lines you've discussed will create problems, economic problems, a problem, too, so far as what we call the decision-making process in concerned. We've got to be able to make decisions more effectively before we can go from being nine to thirteen members or the thing will be gravely endangered by this.

But this brings me back to what I think is the fundamental point, why I'm always trying to urge people in this country to use the term European Community and not Common Market. It's not just about packages and goods. It's about politics. It's about making Europe a more secure place in which to live, and therefore, when you're dealing with new applicants, countries where democracy has been re-established, where it has not been present or secure recently, then one has to take into account the politics of this, just as much as the economics.

AGRONSKY: Have you really overcome the nationalisms? When the members of the European Community come together and vote on various problems, agricultural problems, doesn't each country really still insist upon its own national welfare first and the Community second?

JENKINS: Yes, of course. Every country tries to seek its own national welfare. But what countries mostly, not perfectly, but to a quite remarkable extent have come to realize, is that their national welfare is bound up with the welfare of the countries around, and they've only got to look at their past to see why that is clearly so.

Ordinarily, people will start off from a position in which they are trying to look out for their national interests, and try sometimes to push this too hard. There has been a remarkable spirit of accommodation, of coming to agreed solutions, and that's why the Community has gone a very substantial distance, indeed. Of course, nationalism exists. Of course, nationalism is always going to exist. Indeed, nationalism in some forms - awareness of local roots and and specific cultures - is a very good thing. You won't abolish nationalism. All you want to do is channel nationalism so that it's a creative and not a destructive force, and the Community hasn't achieved perfect success, but it's made a great deal - a better world in Europe since the war than it was before the war.

AGRONSKY: Look at it in terms of the first high hopes of truly a European union. Well, it has become, to some extent, a European customs union - let's concede that. Has it become a European union or is there even a prospect that it ever could become that in the political sense?

JENKINS: There's a strong possibility - there's a prospect; it's not an easy task. It's not been easy creating what's been created. You know, you said the Community's going through its greatest crisis now. It is going through a very considerable crisis, but there have been an awful lot of crises in the past history of the Community. This is not the first one by any means, and progress has never been made without overcoming great difficulties, indeed, and I can name a lot of crises. There have always been crises, and every advance has always come out of crises, and not out of ease, so far as this is concerned.

AGRONSKY: Now, in your visit here, you had an opportunity to talk to some of the people in the new Carter administration, the Secretary of State, Mr. Vance, for one. Now, how did you find the attitude in terms of what the European Economic Community is going to do in relation to the United States in the future? Do you have any feeling that this administration, the Carter administration, is going to function any differently than the previous administation?

JENKINS: Well, all administrations function somewhat differently, clearly. That's why one has changes of administrations.

AGRONSKY: In terms of goals, if you like, cooperation -

JENKINS: I think the basic view of United States foreign policy, which has been there since 1950, that it wishes to encourage political and even economic union in Europe because it thinks there will be a better world if this happens. I think that will remain, though it may take slightly different forms under the new administration. I certainly found a strong desire on the part of Secretary Vance to work closely and to welcome advances toward European unity, not think that he can create them. It would be very foolish for any American Secretary of State to think that he can create a united Europe, but to be helpful towards it, so far as Europeans can create it for themselves.

Let me just make one point on the politics of this. You talked a little while ago, saying you've got a customs union, you've got some economic progress, and you've had nothing in the political field.

This is not in fact true, you know. There is political cooperation between the states of the nine; they meet together constantly - for instance, the ambassadors of the United Nations, and there are political cooperation meetings of the foreign ministers, and in some ways, more progress has been made on the political front in the last few years than on the economic front. So, it isn't only economics. This is a point I must stress; it always has been is, and should be politics as well as economics.

AGRONSKY: Okay. Interdependence, is it accepted as a way of life, if you like, for the European Community - is it accepted as something that must simply be created if you are to exist successfully?

JENKINS: Yes, in a general sense, Nearly everybody believes in interdependence. They don't always behave in practice as they talk in theory. That is true of human life fairly generally, and is true in this field, too, but there is a great awareness that one's destiny is bound up with the countries around one, and with some countries further away, too. Although it's only 18 months now - not much more than 18 months since we had a referendum in Britain, which by its whole tradition, its geography and tradition, was widely regarded as the most isolationist part of the continent, but we had an overwhelming majority for staying in Europe, an overwhelming majority in the form of an electoral test which we had never known in the United Kingdom before. So there's not this total detachment or alienation, but mind you, one doesn't think of interdependence as something that only concerns our neighbors in Europe. The Community of the nine is fairly close-knit. It's the countries which operate most closely together, but interdependence with these countries - suddenly we forget interdependence across the Atlantic; United Europe has never been the enemy of close North Atlantic links - it's been an extremely important buttress for them.

AGRONSKY: In the same area of interdependence, relate the United States, if you will, to the European Community.

JENKINS: Well, the United States and the European Community are the two - by far the two strongest economic, strongest political units in the world.

AGRONSKY: Are you satisfied at the way they work together?

JENKINS: No, of course I'm not satisfied -

AGRONSKY: What would you do?

JENKINS: I always want to improve things.

AGRONSKY: How?

JENKINS: I want to have a greater degree of mutual understanding; I want to have a greater degree of coordination of economic policies in order that we can try and get over some of the difficulties which exist at the present time.

AGRONSKY: Well, let's take a couple. Currency, for one. Do you feel that the European Community and the United States have been successful in any way in trying to create more stable currency?

JENKINS: No, I don't myself think that we've really succeeded -

AGRONSKY: Well, that's an exceedingly conspicuous failure.

JENKINS: No, what I was really going to say - let me complete my sentence - I don't think we've really succeeded since the old Bretton Woods system of fixed parities, which you change from time to time. Since that disappeared at the very beginning of the '70s - began to crack in '68 - I don't thing we've succeeded in creating a new currency system for the world which has worked effectively. I think some of our troubles since then stem from that. But then I, certainly, in the British context, have never really believed in floating rates. I had to operate fixed rates when I was Chancellor, and I think there was a good deal to be said for the discipline imposed upon them. What the United States does is a matter for the United States, but I think it's very important that one does try and bring and keep currencies more closely together in Europe.

AGRONSKY: Well, do you see any willingness on the part of the United States to move in that direction in coordination with you?

JENKINS: I haven't had the opportunity to discuss these issues with the new administration. I think maybe the United States will want to have floating rates - go on with floating rates, where it would certainly be possible to have the dollar floating against the European bloc, which was not floating against itself, and that is certainly something that I think one should aim at in the reasonably near future, but you can't just impose that from outside. You've got to have some effective convergence of economies before you can have that working properly, but the egg should certainly be there.

AGRONSKY: Are you concerned about the growth of Communist political strength in Western Europe? It raises some very conspicuous problems that you may yet have to face; for example, suppose that a Communist majority were to come into being politically in Italy and there were to be a Communist government in Italy. How would you deal with that?

JENKINS: Well, I'm naturally concerned about the growth of Communism, speaking as a European Social Democrat and generally thought to be a rather right wing one, rather nearer to the center of politics, naturally, I am concerned about the growth of Communism anywhere, and in no way welcome this. To some extent it's a rather special form of Commuism which you've got in Italy at the present time. Nobody can even quite be sure as to how -

AGRONSKY: It's described as Italian Communism - soft Communism, nationalism before Communism -

JENKINS: But it's a different sort of Communist party than the old Stalinist parties which one had, and it's very substantially different.

AGRONSKY: Let's even grant this. But nevertheless, you have a relation to NATO, which raises political problems, military problems. What would you do with Italy? Would you then exclude Italy from the European Economic Community? How would you deal -

JENKINS: The Italian communists - I don't think there's any question of a straight Communist government on its own coming to power in Italy. The question is the degree of influence, either as part of the government or outside the government, which the Italian Communist Party has. The Italian Communist Party wants to stay in the European Community. It wants to stay in NATO at the present time, and I think that one of the strengths in the Italian position is that Italy is part of Europe. I would be far more pessimistic about the Italian political future, about the growth of Communism, of Italy going over and becoming a Communist state, were it not for the links with Europe. I think we've got to try and maintain Italy firmly in the democratic fold, and one certainly does not want to see a Communist majority. But it does - if it comes, I don't believe it need - then one will have to think about how one can deal with it. But the most important thing at the present time is to give Italy the support that she has by not just being on her own, but being a part of the wider European Community.

AGRONSKY: So, then, the thrust of your feeling about this, that the European Economic Community has a real job to do in keeping Italy in the Western European -

JENKINS: Very much so. I mean the reason - the idea that one should respond to the problems and difficulties of Italy by saying that you've got too many Communists in your country, therefore we'll turn you out, well, it would be an extremely shortsighted counsel of despair, which I don't know that anyone's advocating.

AGRONSKY: Let's look at Western Europe in a broader spectrum in terms of the growth of Communist political strength. Do you think that the real problem is, if you like, Eurocommunism, or is the real problem Euroeconomics?

JENKINS: It's very difficult to define exactly what one means by these terms. A lot is talked about Eurocommunism; it's not very carefully defined. I don't think it's clearly a question of economics, because you have, mind you, a very strong Communist Party in Italy, including the period of very rapidly growing Italian prosperity during the '60s. It's always been a major party there. The surge up to its present degree of strength - it wasn't actually quite so great as people expected in the June election, but it wasn't something that grew out of nothing. You've had a very strong Communist Party in Italy throughout the whole postwar period. One's been able to live with it - but that was there, even when Italy was growing in prosperity at a very great rate. Therefore, I wouldn't see it purely in economic terms, but I would certainly see that a return to a more stable and prosperous Italian economy would be a great benefit from the point of view of dealing with Eurocommunism.

AGRONSKY: Let's move to another common concern - this is not only for Europe but for the United States, this whole business of oil prices. How do you think that the European Economic Community can deal with that problem, and do you intend to deal with it this time as you conspicuously failed to do last time, in conjunction with the United States?

JENKINS: We did fail because we were split among ourselves and we didn't deal effectively with it -

AGRONSKY: The United States tried very hard -

JENKINS: Perhaps for that reason. We will do our very best to get a common front, because I think a common front here is absolutely essential and desirable, and I would certainly like it to include the United States, which is bound to have an absolutely major influence here, and of course, increases in oil prices are depressing for the state of the world economy. It's not merely a question that it costs us more money - it may make us a little poorer. It's a question that they may operate in such a way as to depress world trade, to depress the economies concerned.

AGRONSKY: We have a saying in this country sometimes that the President proposes, the Congress disposes. Let's apply it to you. You may propose that the European Economic Community join in a common front with the United States in facing this problem of oil price increases - propose, but can you then dispose?

JENKINS: No. No, no, you're exactly right - you're exactly right. My functions are - the functions of the Commission of which I am the president, are to try and be the sort of motor power of Europe and to propose. But it's the Council of Ministers, the ministers of the individual countries who dispose, but I think that one can, as far as one possibly can, try and get them to take these decisions in a sensible and cooperative way. After all, there is a great deal to be said at the present time - Europe - not only Europe, the whole world - is in a fairly apprehensive state economically at the present time. We've had greater problems than for some time past.

AGRONSKY: What you wish to accomplish is one thing - but what can you accomplish? In the end, the concern is that you will fragment this time, as you fragmented last time when we sought to achieve a common front.

JENKINS: Of course - one is concerned. It's not just talking in a fantasy world. A great deal has been achieved in Europe. It's not been dismantled yet. There's a certain sense of check at the present time, but unless you are willing to try and achieve something, you will never achieve anything at all. I think there are great forces of opinion which can be used to make peoples and governments work together - we've got in the near future, 15 months from now, and if we keep the timetable, we'll try - I hope we will - we will have a directly elected European parliament; we'll have that 26 years after the first Community was formed. It took you 136 years in this country to get direct elections to the US Senate.

AGRONSKY: That's true.

JENKINS: This is going to be a very powerful force - a very powerful force working toward European unity, and I greatly welcome it, and therefore, I don't think it's all just aspiration and no fact. Of course, there's got to be aspiration. If you haven't got aspiration, you'll never get anywhere, but if you've got your head in the clouds, equally you'll never get anywhere. It's aspiration, from a platform of very considerable achievement, with matters of this sort coming along, which are practical matters, and which will, I think, advance us in the right direction.

AGRONSKY: Now you feel, then, that the Parliament, when it does come into being, will be able to function in a unified sense, politically?

JENKINS: I think that it will be a force, a strong force functioning in this direction. The world is not going to change overnight when we have a directly elected parliament, but you were asking me what forces I saw moving in a direction towards greater unity. I see that as something which is there in the program, which we can look forward to in '78, which will really be a remarkable achievement for a Community only a few decades old, of nine separate countries, and it's going to be something very well worthwhile indeed.

AGRONSKY: Mr. President, looking down the road, are you an optimist, then, rather than a pessimist?

JENKINS: I've always got a certain stream of pessimism in me, as I've got a certain streak of realism in me. But, I believe that one's also got to have this essential sense that things can be moved forward if you have the will to do it. I can't do it all alone. The whole European Commission can't do it alone. Nobody, no government can do it alone, but I hope that in this new job, I can play a substantial and worthwhile part in making things a bit better and to that extent I'm an optimist.

AGRONSKY: Thank you, Mr. President.