

SPEECH BY THE RIGHT HON ROY JENKINS, PRESIDENT OF THE
COMMISSION OF THE EUROPEAN COMMUNITIES, AT A DINNER GIVEN
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THE PROSPERITY OF EUROPE

It may be ironical that I address you today on the theme of the Prosperity of Europe, at a time when the expanding prosperity we took for granted for so long is no longer one of the basic assumptions of our economic life. Since the energy crisis four years ago torpedoed the assumptions of the sixties, we have been trying defensively to delimit the damage, and balance the requirements for action against the growth of inflation and unemployment. We have nowhere succeeded in both, while the combination of unemployment and inflation is all too common in our continent. Efforts briefly made to pursue consistent and coordinated policies have been all too quickly abandoned. The common nature of the problems has been an insufficient spur to common action in their solution, despite the manifest failure of national attempts to find full national solutions.

It is not then surprising that a hesitancy in economic direction is accompanied by a growth in disillusion. This disillusion is I believe accentuated not merely by the growing internal imperfections of the Community, but the disparity between our external and internal achievements. With all its internal imperfections the Community is continuing to grow in weight and authority in the world. In our own continent it continues to act as a political and economic magnet. The Six were joined four years' ago by the three new members - drawn, we British have recently tended to forget, by the political still more than the economic magnet. The same force, operating slightly differently but with at least equal power, draws Greece, Portugal and Spain, while economic attractions have woven a web of association and trade agreements with all the free countries and Eastern shores of the Mediterranean. Through our mechanisms of political cooperation we are engaged in a

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dialogue with the Arab world and played the leading constructive role on the side of the industrial nations in the CIEC. I have no doubt that our close relations with the 49 countries of Africa, the Caribbean and Pacific contributed to that as well as being a major significant factor in North-South relations in itself. We are in the process of working out a new framework of relations with COMECON, and of course are playing a significant role in the Belgrade follow-up meeting on the CSCE, just as we did in the Conference itself. We are about to negotiate a trade agreement with China. In the Multilateral Trade Negotiations, our position as the world's largest trading organisation gives us an unique role and influence.

Europeans, North Americans and Japanese have in common a democratic industrial society. Internationally we Europeans have been bearing an increasingly important part of the burden of responsibility for its maintenance and development. It means that in the eyes of the second and third worlds there is more than one source of western power. We are seen to practice on the international scale what we preach on the national scale about plurality of choice.

These factors contribute immeasurably to the security of our western society. I do not believe that economic success and security can be dissociated. This is why if we fail internally to re-launch our economic cohesion and advance it will endanger our external security. We need to give constant attention to the means of defence at our disposal. We need to achieve greater integration of our defence industries. The more powerful the European Community becomes, the greater should be its capacity to take its share of the burden of sustaining western security. If the Community were ever to fall apart and the national states were to go their separate ways, our capacity as Europeans to contribute to the common defence would be gravely endangered. The Atlantic Alliance came before the Community, but I doubt very much whether it could survive a disintegration of the Community.

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Happily recent developments in Britain have, I believe, effectively removed any real possibility of disintegration from that quarter. We can now hope for greater consistency of British policy towards the Community. But it is not sufficient to safeguard what we have. We must not forget that the attraction for the three applicant countries in membership of the Community is political. I am convinced that we have not merely an interest but a duty to support these nascent Mediterranean democracies. We must therefore remember that the nature and dynamism of the Community will have a considerable impact on their political future. But enlargement must not mean a Community that is politically weakened. That would be a self-defeating enterprise not only from the point of view of the existing Community, but from that of the applicant states themselves. We must be ready to show political courage and institutional imagination to strengthen it if we are to adapt effectively to the prospect of enlargement. It is our duty to the applicants who need the support of a real European Union and not merely membership of a loose trading association. It is also our responsibility to ourselves to meet the challenge of enlargement with both imagination and realism. This is the approach which the Commission is taking, and we shall continue to urge this twin approach on the Member States.

Our present economic perplexities add to the inherent problems of further enlargement. The Community has only relatively recently grown, and that not without difficulty, from six to nine. This earlier enlargement was negotiated at a time of economic buoyancy to absorb new Member States whose level of industrial and commercial development for the most part broadly matched that of the original members. Now, at a time of much greater economic difficulties, the Community must embrace the prospect of the membership of three southern European countries. They differ in their relative industrial base, but share common features which pose particular problems for existing Community arrangements - especially in agriculture.

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I underestimate neither the range nor importance of these problems. They must be faced, and be faced openly, but in a desire to find solutions which threaten neither the unity of the market nor our ultimate political goals. I believe that a pessimistic, as opposed to a realistic approach is founded on the wrong analysis of the Community's stage of development. Pessimism would assume that we are no more than a common market with some agricultural and industrial appendages. But this stage has already been passed. If it had not, the prospect of further enlargement would indeed be a daunting one.

The structural differences and difficulties of the emerging democracies of Southern Europe are a part of, and not wholly separate from the Community's own present and pressing problems.

If we have the courage to face this issue frankly, there is an opportunity for the Community to act here and to work out a programme of assistance that benefits both the Community and applicant countries.

One reason why I welcome the prospect of enlargement is that it can force us to turn the risks into catalysts of progress. But we must not try to dodge the spot-light with which enlargement illuminates our present economic disarray and our political uncertainty.

The Community was formed out of a realisation that by pooling sovereignty and economic decision-making, we could far better find solutions to common problems than on an inadequate national basis. We are still failing to use the means already or potentially at our disposal. But we also need new ways of coping with the threat to our prosperity and cohesion. We need to rediscover some of the imagination, resourcefulness and inner self-confidence of the fifties. The Commission is

determined to play its full part, and I believe that you will find it increasingly putting forward plans that are adventurous as well as directly relevant to our present needs and our discontents.

Industrially we have already presented a wide range of measures designed to ensure the survival of the European steel industry; we are working on similar lines to safeguard the European textile industry; we are trying to increase and improve the effectiveness of the Social and Regional Funds; we are tackling structural and youth unemployment and getting more forward-looking energy policies under way.

These, however, are if not the bread and butter, at least the meat of our daily work. By themselves they will be as ineffective macro-economically as national measures, if we do not supplement them with qualitatively different responses. If we cannot demonstrate by next year that we have a real response, direct elections to the European Parliament will fail to achieve much of their promise. We must extend and develop the new Community loans mechanisms to fill the gap in our financing capacity and investment support in the most hard-pressed sectors of the European economy. We must re-launch with a newly defined relevance to the circumstances of the late 70s the drive towards economic and monetary union. We must find ways of avoiding recourse to the danger of pseudo-solutions of national protectionism to threats to sensitive sectors of the economy.

The Commission does not have all the answers. But nor does it have the tools to do that part of the job to which we think we have the answers. It is not a question of challenging the authority of national governments. It is not even a question at this stage of supranationality. It is a question of increasing the degree of decision-making at the Community level where common problems are involved. It is a question of lifting national economic burdens by sharing them. All this is to enable us to live up to our political purpose, which is Union, Political Union. The means are economic, but they are not being fully used. The rest of the world at present takes us as a Community more seriously

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than we take ourselves. That is a very serious and potentially dangerous state of affairs. We can succeed if we change this. But we shall fail our citizens if we do not rediscover the road to prosperity, which is our duty to them. We shall fail our friends if we do not live up to our reputation. We shall fail ourselves if we do not realise our potential.

At the worst moment after the energy crisis in 1973 the European Council nevertheless defined the European identity. We might do worse than remind ourselves that for the Nine

"Unity is a basic European necessity to ensure the survival of the civilisation which they have in common."

"The Nine have the political will to succeed in the construction of a united Europe."

I hope they still have. I believe it has not been completely lost. But we must revitalise it if we are to safeguard our own prosperity, and security and our own European future.

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