

LSD 4

DOSSIER ON ROY JENKINS

One of Roy Jenkins's first actions as Minister of Aviation in 1965 was to cancel the TSR2 and two other outstanding British aircraft under development for the RAF. This was despite a Labour leaflet circulated in Preston where TSR2 was being developed at the 1964 General Election: "Harold Wilson tells TSR2 workers: your jobs are guaranteed under Labour....Labour will not cancel the TSR2". (See Campaign Guide 1970, p. 594).

As Home Secretary from 1965-7 Roy Jenkins was responsible for a number of controversial liberalising measures such as the abolition of capital punishment (a private Member's Bill), the Race Relations Act, the Abortion Act, and the Sexual Offences Bill in 1967 - a Private Member's Bill legalising Homosexual Offences. Roy Jenkins once said, "the permissive society is the civilised society".

Jenkins became Chancellor after Callaghan resigned following the devaluation of November 1967.

In his first Budget ^(March 1968) he put up taxation by £923 million in a full year, a record amount. This included the raising of SET by 50%, increased taxes on drink and tobacco, and increases in purchase tax. Jenkins had previously threatened, "Unless firm restraint in increases in all forms of incomes becomes a reality, I shall be forced to take away the excess increases by extra taxation". (Hansard, 17th January 1968). The Government took fresh statutory powers to control incomes and prices.

This Budget was one of the five harshest budgets ^{until then} since the war. The following two quotes are relevant: "The commitments of the Labour Party's policy, provided they are not all pushed through in the first year, which nobody has ever suggested - can be carried out comfortably without any question of an increase in the tax burden. On the contrary, they should leave room for substantial tax reductions". (Roy Jenkins, The Labour Case, Penguin 1959)

"...I must budget for a cut-back of about 2 per cent a year in consumption - a cut-back, that is, from the 1 per cent a year which would have been likely without budgeting action. I must warn the House that a cut in consumption of this magnitude requires extremely severe increases in taxation". (Roy Jenkins, Hansard, 19th March 1968).

On the 22nd November 1968 there was a further mini-budget, with £250 million of extra taxation raised by use of the regulator. The import deposit scheme was introduced.

The record of Jenkins and his colleagues on public expenditure was set out by this quote from him: "There have been vast increases since 1964 in public spending... Since we came to power public expenditure has risen nearly four times as fast as national income". (Blackpool, 29th September 1968).

His April 1969 budget raised taxation by a further £340 million, including a further 28% increase in SET - for the second running. Mr. John Sainsbury, Vice-Chairman of the grocery chain said, "What everyone should realise is that SET is a hidden tax on food" (Financial Times, 17th April 1969).

Other taxes raised included petrol tax and there was a further 2½% on Corporation Tax, raising it to 45%.

The 1970 budget was expected to help the 1970 election, but as Notes on Current Politics stated:

"In its lack of imagination, its failure to encourage and its refusal to face the key problem of inflation it bore all the other familiar hallmarks of Labour policy".

The late Ian Macleod, commented "One does not shoot even a one-legged Santa Claus" (Hansard, 15th April 1970).

In his budget statement of April 1969 Mr. Jenkins announced two related measures: the abandonment of compulsory powers to freeze wage increases and immediate legislation on "some of the more important provisions incorporated in the White Paper in place of Strife". He explained the need for legislation:- "We need to facilitate the smooth working of the process of collective bargaining in industry and to help to prevent the occurrence of unnecessary and damaging disputes of which we have seen all too much recently, and which are totally incompatible with our economic objectives" (Hansard, Col. 1066). This Bill was later ignominiously abandoned by the Labour Government.

In 1971-3 his role was generally creditable, e.g. over the EEC and warnings against leftism in Labour's ranks.

As Home Secretary in 1974-5 he came under considerable left wing criticism for refusing to release the Shrewsbury pickets.

He will however, be remembered for his attempted revocation of Television licences. He announced proposed increases in licences and some people bought fresh licences at the old rate before their existing ones expired - a perfectly legal operation. Mr. Jenkins caused threatening letters to be sent to these people demanding payment at the new rate under pain of having their licences revoked. The Ombudsman reported that there had been "muddle" and "inefficiency" in the handling of these cases, and the Court of Appeal decided that the Home Secretary's attempt was "unlawful, invalid, and of no effect" (Times Report, 4th December 1975).

Page 458 of the Campaign Guide 1977 contains a lengthy statement by Mr. Jenkins explaining why pensioners should not have free or cheap television licences.

In his Election address in February 1974 Mr. Jenkins made two statements worthy of quotation: "My loyalty is to the Labour Party, in which I have deep roots, but I do not believe in Party right or wrong and I do not believe that all the saints are on one side and all the devils on the other". (We may only want to quote the first half but note the context).

"We have to get Britain back to work. That is one slogan which makes sense. We have to do it without opening the flood-gates to still worse inflation. And we have to set about reducing that overseas deficit. If we don't the sinking £ will go down still faster".

It is notable that when he vacated his seat at Birmingham Stechford to become President of the EEC Commission his seat was taken by the Conservatives.

See the attached Times story of his performance as President of the Commission, suggesting the he has disappointed many expectations.

31 DEC 1980

As Mr Roy Jenkins comes home after his term as

Four years as the man in the middle

When Mr Roy Jenkins assumed the presidency of the European Commission four years ago the event was acclaimed by well-wishers and admirers at home and abroad as scarcely less momentous than the advent of a long-awaited messiah. If the soul of Europe was not entirely beyond redemption, Mr Jenkins was portrayed as the man to save it.

Here at last, it was said, was the politician of stature needed to rescue Europe from the grip of pettifogging officialdom in Brussels obsessed with harmonizing the hop-content of beer and the noise level of mowing machines. Here was the far-seeing statesman who would make the European idea relevant to the housewife, the factory worker and the clerk.

The prospectus was, of course, absurdly overblown, and, to be fair, Mr Jenkins took a more modest view of his transfer to Brussels than some of his admirers. But he encouraged some of the expectations that preceded him across the Channel, and to that extent deserves to be judged by them as he prepares for his re-entry next week to domestic politics.

In an inaugural speech to the European Parliament in January, 1977, he spoke of "grafting the idea of Europe into the lives of its people", and making the individual citizen aware of the EEC "not as an abstraction, however noble, but as a continuum extending from world influence to job opportunity".

No one would pretend that the economic climate of the past four years has been easy or conducive to brave new ventures, but even the charitably inclined would be hard put to find much evidence that Mr Jenkins's tenure of the Commission presidency has brought the crusading promise of a citizens' Europe much nearer.

The limits on what the Commission can do are, of course, considerable. Conceived by the EEC's founding fathers as the embryo of a European government, it has developed into a multinational civil ser-

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vice, clearly subordinate to the Council of Ministers, which represents the governments of the member states.

Nothing can happen without the Commission because a proposal from it is needed to start the legislative process. But at the end of the day it is the Council which disposes, and there is no way the Commission can impose its ideas, however sensible or imaginative, against the determined opposition of member states.

Within the Commission itself, the President's authority is no less circumscribed, and certainly much less than that of a prime minister over his cabinet. He has little say in the choice of his fellow Commissioners and not much control over the jobs they are given. He can neither dismiss nor easily reshuffle them once appointed.

Broadly, two courses are open to a president. Given that his powers are those of exhortation rather than decision, he can appeal directly to European public opinion, partly through the large resident press corps in Brussels, and seek to generate a climate of opinion favourable to Europe-wide solutions to the economic and social problems besetting national governments.

Alternatively, he can seek to ply his influence behind the scenes, using his position and

personal contacts with government leaders to assert his right, like Bagehot's monarch, to be consulted, to encourage and to warn. Conspiratorial by nature, Mr Jenkins generally preferred the role of high-placed manipulator to that of public evangelist.

An early attempt at populism—by stopping what Mr Jenkins as a Briton judged to be unpopular cut-price sales of surplus butter to the Soviet Union—demonstrated the hazards of trying to identify a European public opinion as distinct from a mosaic of often conflicting national attitudes. The Commission was castigated in Britain for doing too little too late and in France for doing anything at all.

In the early months of his Presidency Mr Jenkins spent much of his energy on gaining admission, in his own right, to the western economic summits. In this he was strongly supported by the smaller EEC states who were excluded from these gatherings and saw in his presence a means of keeping a check on their larger brethren.

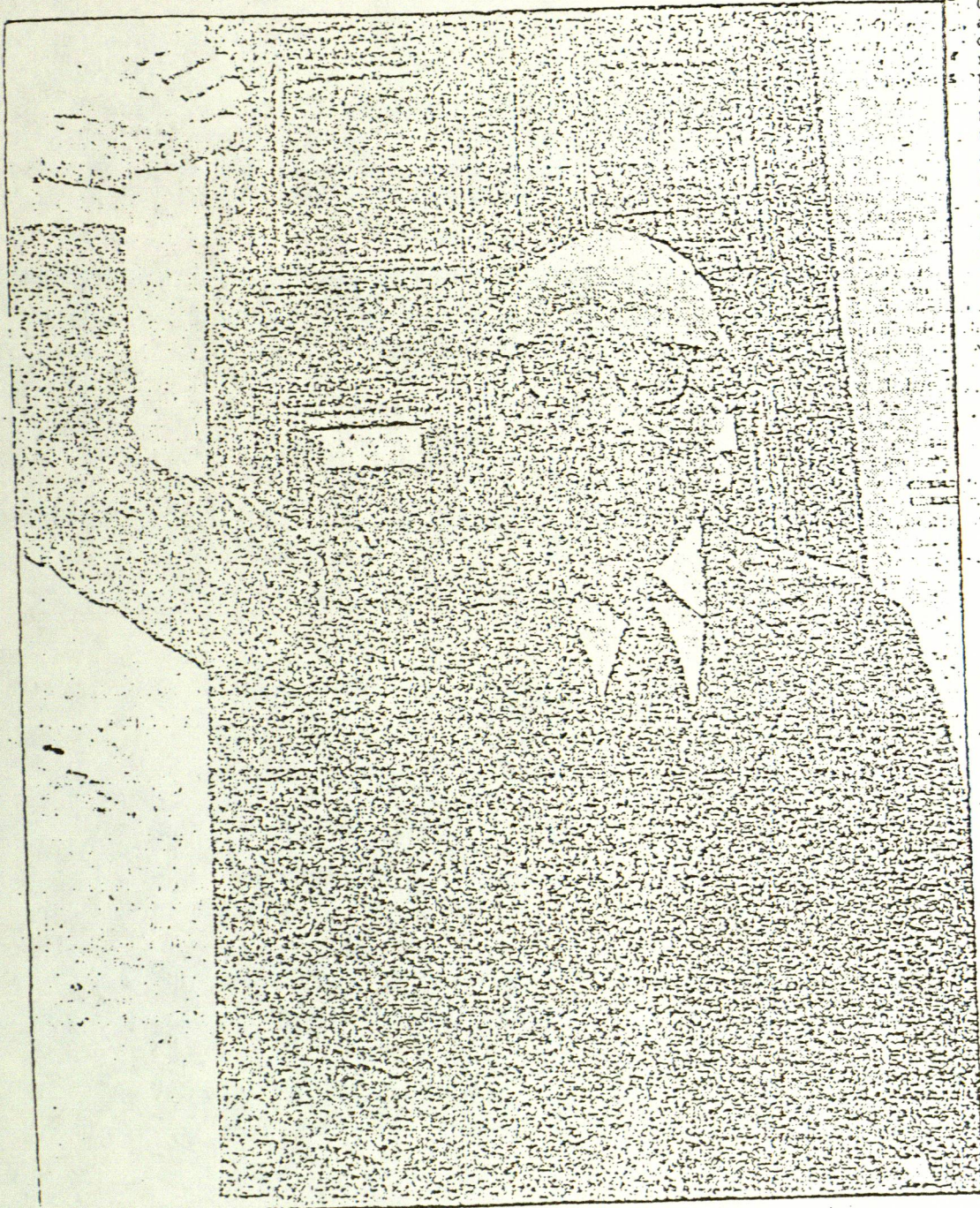
This battle was eventually won against stiff opposition from the French who felt that Mr Jenkins was getting ideas above his station. Outnumbered, President Giscard d'Estaing conceded the point, but never ceased to regard the Commission President as a faintly obtrusive impertinence. Relations with Chancellor Schmidt, on the other hand, were always good.

Mr Jenkins also devoted much more effort than his predecessor to developing an active role for himself and the Commission in the European Council, the EEC's own triennially summit meeting which he saw, rightly, as increasingly the place where the most important decisions affecting the future of the Community were likely to be taken.

As a behind-the-scenes operator, he was seen to good effect in the long-drawn-out dispute over the size of the British budget contribution when he and Mr Christopher Tugendhat, the commissioner in

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President of the EEC, Michael Hornsby assesses his impact on Europe



charge of the budget, held the ring and largely determined the framework within which the final settlement was reached.

But those who had hailed his arrival in Brussels had looked to him for more than the role of a clubbable honest broker. They were hoping for a President who would be prepared to court the wrath of member governments in defence of policies that amounted to more than the lowest common deno-

minator of what was politically acceptable in national capitals.

To the disappointment of many, Mr Jenkins seldom put his head above the parapet. The one major exception was his part in the birth of the European Monetary System, where a case can be made out that, by a mixture of public exhortation and private diplomacy, he played a catalytic role in the reversal of previous Community policy.

In October, 1977, in Florence

he made a speech setting out the arguments for a renewed thrust towards economic and monetary union. At the time he was swimming very much against the tide of received opinion. Monetary union as a concept had been discredited by the unrealistic goals set in the early 1970s, when economic conditions had been much more favourable.

Even integrationists thought Mr Jenkins's initiative utopian. M. Francois-Xavier Ortoli, the

Commissioner for Economic and Monetary Affairs, was openly sceptical. Press comment, even when sympathetic to the idea, thought Mr Jenkins was asking for too much too soon—"a bridge too far" in the pithy judgment of *The Economist*, which none-the-less praised him for his courage.

The response in national capitals was at first scarcely more encouraging. Mr Jenkins was to confess later that he wondered whether he had been doing more than "whistling in the dark". Yet July of the following year found him sharing the podium with Chancellor Schmidt at the Bremen summit to announce the birth of the EMS. It was the high point of his presidency.

The aftermath was less exhilarating. It took another nine months to put the EMS into operation. Britain's non-participation in the exchange rate mechanism was a serious disappointment, and it was soon apparent that other member states were in no hurry to realize Mr Jenkins's vision of the EMS as the embryo of a European central bank backed by a larger-scale pooling of national reserves.

It is fair to say that Mr Jenkins helped to create the intellectual climate in which it became possible to re-examine the case for monetary union. But it was the coincidence of French and German interest in exchange rate stability which actually brought the EMS into being, as it will be the attitude of member states that determines the system's future development.

Mr Jenkins spent himself on the EMS issue. Nothing afterwards engaged his attention to the same degree. He shifted the central problem of agricultural reform, and if member states may now be preparing at last to grasp the nettle because of dire financial necessity rather than the persuasive cogency of any argument advanced by the Commission.

Could a more aggressive polemical presidency have achieved more? In his first months Mr Jenkins began to hint at a more openly provoking roll with speeches challenging member states' views on the future of the EEC budget and drawing attention to the need to renovate Europe's industrial base. Those that might profitably have been developed earlier, and in no more depth, rather than offered as valedictory gestures.