Roy Jenkins, A Life at the Centre: extract on the United Kingdom and the EMS

Caption: In his memoirs, Roy Jenkins, former President of the European Commission, recalls the concerns raised by successive British Prime Ministers James Callaghan and Margaret Thatcher over the United Kingdom's participation in the European Monetary System (EMS).


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London I had not been to (officially) since 2 November, when I formed the impression that Callaghan was not coming in. But I was not absolutely certain. He seemed genuinely torn in his own mind, and almost plaintively asked why I thought that Giscard, without a very strong economy, did not seem to hesitate over taking the risk. I suppressed the desire to say, 'Because he does not suffer from the British disease of never co-operating fully,' which might have been counter-productive, and replied, 'Because France is much more self-confident than Britain. They believe they can make a success of things, whereas we don't.' Callaghan said perhaps this was right. It was also the occasion, quoted by me in several subsequent speeches, when Callaghan vehemently denied that he was staying out because of political difficulties at home, and insisted that if he was convinced it was right for Britain he would come in whatever the political problems. 'But,' he added, 'I am nervous of being locked in at too high a rate of exchange, which will prevent my dealing with unemployment.' This animadversion was like a scissors-blade, which is of no interest without its pair. This companion was however splendidly provided by Mrs Thatcher six months later when I saw her almost immediately after her election – in the same room to add to the symmetry. She assured me that she was in principle in favour of full participation in the EMS but was 'nervous of being locked in at too low a rate of exchange, which will prevent my dealing with inflation.' In fact under both of them Britain enjoyed for several years a higher rate of unemployment and of inflation than any participating country. But at least we remained bipartisanly faithful to our national habit of never joining any European enterprise until it is too late to influence its shape. Then, when wholly predictably, we are eventually forced to apply for membership, we complain bitterly that the shape suits others better than it suits us.

Britain was not therefore in the central arena of play during this late November round of talks. Giscard was particularly dismissive. 'Not a great deal about the EMS,' I wrote after my Paris meeting with him on 27 November. 'He said it was all satisfactorily fixed: he didn't think the British would come in, but maybe from their point of view they were wise.' Schmidt had more regrets about the British, but his mind too had now switched to the more open question of whether the Italians and the Irish would join. With them we would have a European Monetary System. Without them we would merely have an enlarged Snake.

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