

Interview with Édith Cresson: the European automotive industry and imports of Japanese cars (Paris, 29 January 2008)

Source: Interview d'Édith Cresson / ÉDITH CRESSON, Étienne Deschamps, prise de vue : Alexandre Germain.- Paris: CVCE [Prod.], 29.01.2008. CVCE, Sanem. - VIDEO (00:06:50, Couleur, Son original).

Copyright: (c) Translation CVCE.EU by UNI.LU

All rights of reproduction, of public communication, of adaptation, of distribution or of dissemination via Internet, internal network or any other means are strictly reserved in all countries.

Consult the legal notice and the terms and conditions of use regarding this site.

URL:

http://www.cvce.eu/obj/interview_with_edith_cresson_the_european_automotive_industry_and_imports_of_japanese_cars_paris_29_january_2008-en-ee7f8466-dadf-44b0-aaf8-5189d6ae292c.html



Last updated: 05/07/2016

Interview with Édith Cresson: the European automotive industry and imports of Japanese cars (Paris, 29 January 2008)

[Étienne Deschamps] In 1983 you were appointed as Minister for Foreign Trade and Industrial Redeployment.

[Édith Cresson] Initially it was just foreign trade, and only later industrial redeployment and foreign trade. Yes.

[Étienne Deschamps] To what extent did these sectors have a Community dimension, at that stage?

[Édith Cresson] For foreign trade ... yes ...

[Étienne Deschamps] The main areas of which you were in charge ...

[Édith Cresson] Yes. Let me explain: there is a basic problem in Europe, which we may discuss later, and that is that there is no political line on the economy. Nothing at all. It is apparent even now with the problems with the banks. There is nothing. We defend different positions from the United States. I mean, surely if there is one problem that is really global it must be finance. So anyway, it is quite absurd. As far as foreign trade is concerned, the French are very good technicians, skilled manufacturers but terrible tradesmen. They are hopeless when it comes to selling their goods. So we had to take them by the hand, which I did, carting whole plane-loads of SMEs all over the world. We did the big trade fairs and above all the quick-dating days, which were an opportunity to meet potential foreign partners and start establishing links. We were successful in 70 % of the cases, with a positive outcome. But firstly, the Community did not take the slightest interest in any of our problems, of course. I was subsequently involved in debates on a particularly emblematic issue which was the car industry. I first became involved a bit later on, when I was in charge of European affairs, and it was then that I realised what was going on. At the time, Japanese cars were flooding the European market, which of course led to the loss of many jobs. So I called for a moratorium on the importation of Japanese cars, suggesting that there should be quotas. I ran into opposition from the British. As they no longer made cars, they did not mind, added to which they advocate completely free markets. With the Germans it was more complicated. They sold fewer cars than they bought from the Japanese, but in financial terms the balance was positive because their cars were more expensive. So they were able to say that they were certainly not net importers. But they could nevertheless see the overall trend for Japanese cars so they opted to tag along with us. I am only too glad to stand up for the Germans if it's for a good cause. Otherwise we had the Italians, with Fiat, who were wholeheartedly on our side, the Belgians, out of sympathy, the Spanish, because they too have car factories ...

[Étienne Deschamps] They too have interests.

[Édith Cresson] ... and the Greeks, because we managed to establish links. So in the end we had a majority and we were able to save, I think, or at least contribute to saving Europe's car industry. In fact it concerned all the countries. I mean in Belgium, for instance, there were factories where they had serious problems later on.

[Étienne Deschamps] Assembly lines, yes, of course.

[Édith Cresson] But everyone was concerned by this, and so the British ended up agreeing. I had the car manufacturers on my side who were absolutely determined that I should do the negotiating. They went to see Michel Rocard, the Prime Minister at the time, to ask him to give me the job of negotiating. We had secret meetings at the Villa Madama in Rome or at the Italian Embassy in Paris. We got on very well with the manufacturers, on the whole things went very well. And it ended in success, but if I hadn't taken charge of the problem it would have had disastrous consequences, because the Community authorities, as they say, showed no interest in the problem. Under normal circumstances, the Commission ought ...

[Étienne Deschamps] Yes, I was going to ask. The Commission was doing absolutely ...

[Édith Cresson] No, no, no. Oh no, not at all. No, no, no. You know the doctrine of the Commission; it has changed very slightly just recently, but overall the doctrine of the Commission is fully in support of free markets. In other words, unlike what the Americans do, for example, it lets everyone do just as they like and there is no question of putting restrictions on anything. It sees France as a sort of Colbertist, state-run country, so we get a lot of criticism on that issue. Personally I think that obviously one can only be in favour of the free movement of goods but there is nevertheless a basic problem which will become increasingly apparent: the conditions of production are not all the same. They have prices and wages which are ridiculously low and we have decent wages. So if we want to prevent massive relocation we need to take a decision. But I have not yet seen the tiniest sign of the start of a debate on this topic at the Commission. It is a vital problem, this and finance. They are two vital problems. We can talk endlessly, frame all the treaties we like on the institutions, but as long as we lack a rationale for action, one might say clear guidelines, we shall carry on going round in circles. So, you see, I experienced all this and I systematically opposed this trend, so of course I made one or two enemies. There is a frightful tendency to thwart any attempt to make ... as they put it, we must not have European champions; obviously we must not have national champions, that is the supreme crime, but not even European champions either. According to them, all we need is dwarves. I mean, it really is extraordinary. The others are allowed to have champions, which do business all over the world, but not us.

[Étienne Deschamps] No European flagships?

[Édith Cresson] No flagships. Not allowed, not allowed at all. This sort of quest for the lowest common denominator, endlessly plumbing the depths, has an absolutely disastrous effect on jobs. And for the time being I still see no sign of any form of economic doctrine that could possibly save jobs. So why did we build Europe? Of course people say it was so there would be no more wars. But surely it is reasonable to suppose that that is a thing of the past. The problem now is that warfare is economic. So, whether we like it or not, to wage this economic war we need to find the resources to fight back.

[Étienne Deschamps] Instruments of military defence too?

[Édith Cresson] We have the brainpower in Europe, we really have everything. We have the capacity, we have very good scientists, industrialists who are capable of being brilliant. But quite simply the Americans establish a number of rules and we do not. When Schneider wanted to merge with Legrand, the Commission refused to allow the merger. Schneider is a very large electrical engineering firm, electronics and so on, with global reach. They own an American company called Square D. So they have people all over the world. I know the firm very well. Well, they wanted to merge with Legrand, which is smaller, a brilliant French company but with local or regional reach. After endless discussions, lasting months and months, the Commission said no to this merger.