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PRIME MINISTER'S SPEECH

ON

EUROPE

IN

BRUGES

ON

20 SEPTEMBER 1988

First, may I thank you for inviting me to
deliver this address.

Where better place to speak of Europe's
future than in a building which so
gloriously recalls the greatness that
Europe had already achieved over 600 years
ago?

Perhaps I should also thank you for your
temerity in inviting me to speak on the

subject of Europe at all.

If you believe some of the things said and written about my views on Europe, it must seem rather like inviting King Herod to speak on the subject of nursery education.

Britain and Europe

So I might start by disposing of some myths about my country, Britain, and its

relationship to Europe.

To hear some people, you would think that Britain first interested itself in Europe some time in the late 1950s, was rebuffed by General de Gaulle's non, and finally limped into the Community in 1973 as an unconvinced member, wishing heartily that it could be somewhere else and since then has spent all its time arguing about

its financial contributions.

Well, there certainly was a very real problem over our unfair share of the costs of the Community which had to be solved - and has been solved.

But that view of Britain's role is a travesty.

The fact is that Britain's relations with the

rest of Europe, the continent of Europe,

have been the dominant factor of our

history:

- the Celts, who first cultivated our land, came from the continent of Europe;

- for three hundred years we were part of the Roman Empire, an experience which shaped not only much of our language but

many of our laws and traditions;

- the Anglo-Saxons, like the Normans and Danes who followed them, came from the continent of Europe;

- our nation was - in that favourite Community word - "restructured" under Norman and Angevin rule in the eleventh and twelfth centuries;

- from the sixteenth century, Britain looked outwards from Europe to a wider world - as had Portugal before us, and France, Spain and Holland after us.

The difference was that we were more successful;

- for centuries, Britain was a home for people from the rest of Europe who sought sanctuary from tyranny;

- British assistance to liberation movements throughout the last war kept alive the flame of liberty until the day of liberation came.

And it was from our island fortress that the liberation of Europe itself was mounted.

Britain did indeed fight wars against other

European countries - which European

country did not?

But the cause for which we fought -
against Philip II, against Louis XIV,
against Napoleon, against the Kaiser,
against Hitler - was to save Europe from
falling under the dominance of a single
power.

We did not fight against Europe.

We fought against tyranny and for
freedom.

Had it not been for Britain, I dare say that

Europe would have been united long before
now.

But at what cost would that unity have
been achieved?

Would Prussia have maintained its independence
in the eighteenth century without British
help?

Would Spain have rid itself of Joseph

Bonaparte without the Duke of Wellington?

Would Belgium, Denmark and the Netherlands

be free now but for the determination of

Britain and America to fight Nazi

tyranny?

Moreover, when the movement towards European

economic unity gathered force after the

last war, some of the most powerful

encouragement came from Winston Churchill

in his renowned speech in Zurich in 1946.

It is true that Britain did not then grasp the opportunity to become part of the emerging European Economic Community.

With hindsight, that was a setback for Britain.

But it was also a setback for Europe, which set out to build a Community without the benefit of the British traditions of

individualism, of freedom under the law
and of common sense.

Europe's Future

This is no arid chronicle of obscure historical
facts.

It is the record of nearly two thousand
years of British involvement in Europe and
contribution to Europe.

Yes, we have looked also to wider horizons - and thank goodness we did, because Europe would never have prospered and never will prosper as a narrow, inward-looking club.

But that does not diminish the fact that Britain is as full, as rightful, as wholeheartedly a part of Europe as any other member state of the European Community.

The European Community belongs to all
its members, and must reflect the
traditions and aspirations of all of them
in equal measure.

And let me be quite clear.

Britain does not dream of an alternative
to a European Community or of a cosy,
isolated existence on its fringes.

Our destiny is in Europe, as part of the

Community - although that is not to say that it lies only in Europe, any more than that of France or Spain or indeed the Community itself does.

The Community is not an end in itself: not an institutional gadget to be endlessly modified in the search for theoretical perfection.

It is the instrument by which the people of Europe can ensure their future prosperity and security in a world in which many other powerful economies are emerging and in which increasing numbers of countries will have access to powerful and sophisticated weapons, including nuclear weapons.

The world will not wait for us.

We cannot afford to waste time on internal disputes or arcane institutional debates. Europe has to be ready both to ensure its own security and to compete - and compete in a world in which success goes to the countries which show the greatest flexibility and guarantee the greatest freedom for the enterprise of their people.

I want this evening to set out some simple guidelines for that future which I believe will ensure that Europe does compete and will succeed.

Strength through Diversity

My first guideline is: forget a United States of Europe, it will not come!

I do not say that lightly: after all, it was Winston Churchill in Zurich who was one of the first to speak of a United States of Europe.

The fact is that the founders of the present European Community did their thinking at a time of Europe's maximum weakness and division.

In the historical circumstances of the

time, in which the United States of America played such a crucial part in the victory of democracy, it was natural that they should believe that Europe's salvation lay in federation and the creation in the longer term of a single European State.

There are two fundamental weaknesses in that theory.

First, it underestimates the strength of national traditions in Europe and the desire of people to preserve them.

Those national traditions and the regional differences are part of Europe's vitality and inventiveness, which give it the great cultural achievements of the past, such as this magnificent hall.

Can anyone believe that such a monument would ever have been created, had it been

the task of 'COREPER DEPUTIES' to supervise its design, as is the case with the new Council Building in Brussels!

Europe will be stronger precisely because it has France as France, Spain as Spain, Belgium as Belgium, and Britain as Britain, each with its own language and traditions, rather than trying to dissolve them into some sort of neutral

personality.

If we try to enforce uniformity we shall deprive Europe of the source of its greatest achievements.

A commitment to diversity is as important as one for harmonisation.

The second weakness of the federalist theory is that it fails to recognise greater decentralisation as the path to economic

and political success.

I am the first to say that on as many issues as possible the countries of Europe should speak with a single voice.

I want to see them work more closely together on the things we can do better together than singly.

Europe is stronger when we do so, whether it be in trade, in defence or in our

relations with the rest of the world.

But - and this is where I take issue with some of the recent comments by President Delors - working more closely together does not require a sacrifice of political independence or of the rights of national Parliaments; it does not need the creation of a new European super-state with the Commission at its heart.

It is perfectly possible for countries to work together while preserving their national sovereignty, to obtain the advantages of economic union without the sacrifice of political independence.

This may not be easy to grasp for those who are used to governments running the economic life of a country.

But for those who believe that governments should provide the framework, while leaving everything else to the decision of individual people, it seems quite natural.

Indeed I find it ironic that when those countries such as the Soviet Union which have tried to run everything from the centre are learning that success depends on developing power and decisions away

from the centre, there are those in the Commission in Brussels who seem to want to move in the opposite direction.

Let me say bluntly on behalf of Britain: we have not embarked on the business of throwing back the frontiers of the state at home, only to see a European super-state getting ready to exercise a new dominance from Brussels.

It is absolutely crucial for the European

Community's success that, at each stage of its development, it should act with the full consent of the people.

That will not be achieved by insidious extension of the powers of the Commission or the invocation of the European Court in a form of judicial review.

It will require decisions reached by negotiation between sovereign governments,

each elected by their people, with those decisions subject to confirmation by national Parliaments.

Certainly we want to see Europe more united.

But it must be in a way which both preserves diversity and enlarges liberty.

Europe open to enterprise

My second guideline is the need for the

Community to encourage individual

enterprise if it is to flourish and

succeed.

The basic framework is there: if you read the

Treaty of Rome carefully you will see that

it is indeed a Charter for Economic

Liberty.

But that is not how it has been applied
so far.

Our own experience in Britain has pointed the
same way.

We have rediscovered the spirit of
enterprise by realising that public
resources are in fact private resources
taken by the state, and that the
individual is far better equipped to take

many decisions than the state is.

The aim of a Europe open to enterprise is the moving force behind the creation of the Single European Market by 1992.

By getting rid of barriers, by making it possible for companies to operate on a Europe-wide scale, we can best compete with the United States, Japan and the other new economic power centres arising

in Asia.

But completion of the Single Market must not mean tying ourselves up in ever more regulations.

Indeed it should mean fewer regulations, but simpler and clearer ones.

Our aim is not to regulate more or to issue ever more directions from the centre.

It is to deregulate, to liberalise and to open up.

If we can achieve that, we will have established a very good model for the Community's future development in other areas.

Rather than setting grandiose objectives such as a European Central Bank for the sake of having yet another European institution,

let us proceed by considering at each stage what is necessary.

Do we yet have free movement of capital round Europe?

Have we abolished exchange control?

The answer is no, not yet.

Until we can take these basic practical steps, it is a waste of time to argue about a European Central Bank, which presupposes that individual governments

are prepared to give up fundamental economic decisions.

If they cannot even decide to give up exchange control and to allow free movement of capital, then it is illusion to expect surrender of control over national economic policies - and I do not for a moment believe that most European governments want that anyway.

It is the same with frontiers.

Of course we must make it easier for goods to go through frontiers.

Of course we must make it easier for the citizens of the Community to go through frontiers.

But it is a matter of plain commonsense that you cannot abolish frontiers if you are still going to have the capability to stop the movement of drugs, of terrorists,

of illegal immigrants.

We need to suppress the tendency towards
inflated oratory.

We shall make much quicker progress if we
define practical steps towards closer
cooperation and concentrate on achieving
them.

After all if we do complete the single
market in 1992 it will have taken 35 years

of detailed work since the Treaty of Rome first set the target.

Europe open to the world

We must ensure that our approach to the outside world is consistent with what we preach at home.

We cannot work to reduce barriers and

regulations within Europe, while practising protectionism in our trade with other countries.

We cannot urge others to reform their agriculture, unless we are prepared to continue the process in Europe beyond the start which we have already made.

Just as economic success in each of our countries has come from restructuring, from getting rid of restrictive practices

and subsidies, and by privatising state-run industries, so the expansion of the world economy requires us to continue the process of removing barriers to trade in the multilateral negotiations in the GATT.

Europe has a longer tradition than any other country of being outward-looking, and therefore has a responsibility to give a

lead here, a responsibility which is particularly directed towards the less developed countries.

They need greater trade opportunities, not the dumping of Europe's agricultural surpluses in the form of food aid.

Europe and Defence

Lastly, we need to look much more seriously at

Europe's role in defence.

We can be satisfied with what NATO has achieved
over 40 years.

The fact is things are going our way: the
democratic model of a free enterprise
society has proved itself superior;
freedom is on the offensive the world
over for the first time in my life-time.

But there can be no question of relaxing our
defence.

Indeed it is quite clear that Europe is
going to be called upon to bear a much
heavier responsibility for its own
security than in the past.

To do that we must find ways:

- to maintain the US commitment to
Europe's defence, while recognising the

burden on their resources of their world
role and their natural desire to reduce
their defence spending in Europe itself -
particularly as Europe grows wealthier;

- to meet the requirements for stronger
conventional defence in Europe to match
the modernisation of Soviet forces and
overcome the shameful reluctance of some
European countries to provide the

necessary funds even for an adequate
defence;

- to keep public confidence in the
continuing need for nuclear deterrence
based on modern weapons;

- to preserve Europe's strength and
unity at a time of change and possible
instability in the Soviet Union and

Eastern Europe, while keeping the door open to future collaboration with those countries.

NATO and the WEU have long recognised where the problems lie and have pointed out the solutions.

The time has come when we can no longer put off giving substance to the declarations about higher overall defence

spending and better value for money
through the standardisation of equipment
which have for too long remained empty
phrases.

It's not an institutional problem, it's
not a problem of drafting: it's something
much more simple and more profound: it is
a question of political will and political
courage, of convincing people in every
European country that they cannot rely for

ever on others for their defence but must shoulder more of the burden themselves.

It comes down to one single word: leadership.

The future must lie:

in strengthening NATO, not in seeking

alternatives to it;

in removing the obstacles to full military

collaboration between all NATO's members,

in particular those who cannot bring themselves to integrate their forces fully with NATO;

and by developing the WEU not as an alternative NATO, but as a means of strengthening Europe's contribution to the common defence of the West.

It is to this task, to enhancing our security, rather than to devising new long-term

goals for the European Community that the weight of European governments' intellectual and political effort will need to be devoted over the next few years.

The British approach

I have set out the ways in which we in Britain want to see Europe develop.

It is a pragmatic and common-sense, rather than visionary approach, and all the better for that.

It does not require new documents: they are all there in the North Atlantic Treaty, and the Treaty of Rome, texts written by far-sighted men.

What we need is to get on with the business of implementing those texts

rather than let ourselves be distracted by distant and utopian goals.

However far we may all want to go, the truth is that you can only get there one step at a time.

Let's concentrate on making sure that we get those steps right and the rest will follow.