

PRIME MINISTER

SPEECH ON EUROPE

I attach a revise of the speech on Europe, taking account of some of the comments which I have received as a result of circulating the original in Whitehall. The result is to tone down the original a bit, but not too much. I think it is now a powerful statement of our approach to Europe. You may like to look at it over the week-end. We have time in the diary to work on it next week.

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C. D. POWELL

8 September 1988

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As at 8/9/88

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PRIME MINISTER'S SPEECH

ON

EUROPE

IN

BRUGES

ON

20 SEPTEMBER 1988



First, may I thank you for giving me the opportunity to return to Bruges - and in very different circumstances from my last visit shortly after the Zeebrugge ferry disaster, when Belgian courage and the devotion of your doctors and nurses saved so many British lives.

Second, may I also thank you for inviting



me to deliver my address in this  
magnificent hall.

What 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

~~and~~ *bravery*  
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.

*being in  
mind this  
was about  
child does - I  
think we should  
find something  
as telling but  
different.*

### 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 unconvincing 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.



Britain is, and has always been been, part of  
Europe.

Our links to the rest of Europe, the  
continent of Europe, have been the  
dominant factor in our history:

- the Celts, the first inhabitants of our  
land for whom written records exist, came  
from the continent of Europe;



- for three hundred years we were part of the Roman Empire, and our maps still trace the straight lines of the roads the Romans built;

- the Anglo-Saxons came from the mainland, like the Danes whose place-names survive in much of Eastern England.



- our nation was - in that favourite  
Community word - "restructured" under  
Norman and Angevin rule in the eleventh  
and twelfth centuries, and much of our  
language and tradition still bears a  
Norman stamp;

- from the sixteenth century, when Britain  
did indeed look outwards to a wider world,  
so too did much of mainland Europe:



Portugal, Spain, France, Holland and  
Belgium.

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

The history of British involvement in

European wars is a history of resistance  
to the risk of Europe falling under the



dominance of a single power.

We did not stand out against, or fight  
against, Europe.

We fought for freedom.

Had it not been for those ready to fight

*both from outside and from within*  
for freedom, (Europe would have been united

long before now. *but not in liberty or justice*

But at what cost would that unity have

been achieved?



The British record is a proud one:

- 600 years of our unbroken alliance with Portugal in support of Portuguese freedom.
  
- the great battles fought by the Duke of Wellington to help free Spain from occupation.
  
- our encouragement to the Italian



Risorgimento under Garibaldi and Mazzini.

- our more direct intervention to secure  
and maintain the independence of Greece.

- Britain's <sup>help</sup> assistance to <sup>resistance</sup> ~~liberation~~

movements throughout the last war, which  
kept alive the flame of liberty in so many  
countries until the day of liberation  
came.



It was from London that General de Gaulle  
issued his rallying-call to the French  
people.

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

And 70,000 British servicemen are in Europe as  
part of NATO, in the front line of  
defending freedom.



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, a contribution which is today as strong as ever.

*along with other countries in 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.

It is not an institutional gadget to be endlessly modified in the search for theoretical perfection.

*Non è da essere ossidato by endless regulation*

It is the instrument by which Europe can



ensure its 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 our energies on internal disputes or arcane institutional







people.

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



## Strength through Diversity and Individual

### Freedom

My first guideline is: the Community's

strength lies in its ~~diversity~~, <sup>with the intended bold co-operation between</sup> we must ~~preserve it.~~ <sup>countries of ~~freedom~~, each proud of their ~~identity~~, each wanting not to divide its own identity but to retain it.</sup>

Positive co-operation between sovereign states ~~freely entered into~~ in the framework of a treaty, <sup>freely entered into</sup> in a more enduring shape <sup>concept that recognized the independent attempts to standardise ~~everything~~ into</sup> Some of the founding fathers of the <sup>a world that this</sup> <sup>no one and would cause trouble with</sup> <sup>everyone.</sup>

Community thought that the model might be

the United States of America.



In the historical circumstances of the time, in which the United States of America had 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 similar single European State.

There are two fundamental weaknesses in



that theory.

The whole history of America is ~~the~~ ~~quite~~  
First, it underestimates the strength of  
~~clashes for Europe. People want them to get away~~  
~~national traditions in Europe and the~~  
~~from the various conditions in European countries, and~~  
~~desire of people to preserve them.~~  
~~to go to a land of liberty & opportunity. Then~~  
Those national, and indeed regional  
~~purposes led to their unity ~~and~~ of which the~~  
~~traditions and differences - far more~~  
~~American Constitution is the great expression~~  
~~deep-rooted than those between the~~  
~~different states of the Union in America -~~  
~~are part of Europe's vitality and~~



inventiveness.

It is from them that our great cultural achievements of the past sprang.

*Take forward to p. 22 at \**

Europe will be stronger precisely because

it has France as France, Spain as Spain,

Belgium as Belgium, Britain as Britain,

each with its own languages and

traditions, rather than trying to <sup>artificially to create</sup> ~~dissolve~~

~~them~~ into some sort of neutral *identity*



European personality.

To pursue uniformity would 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

*such* 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 working more closely together does not require the creation of a new European super-state.

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



Moreover the clear evidence is that

centralisation of power, economic or political, does not help economic or political growth.

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

so that people groups may live their own lives in freedom  
~~leaving everything else to the decision of~~

<sup>of individuals</sup>  
~~individual people,~~ it seems <sup>nobody</sup> quite

natural, the imperative to liberty itself. For the

founding fathers were ~~perhaps~~ seeking the framework of  
 economic freedom as the necessary condition to support  
 political & personal liberty.

It is 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

devolving power and decisions away from



the centre, some in the Community seem to want to move in the opposite direction.

Fortunately, they are not succeeding.

In the Single Market programme the Community is adopting measures designed to free markets, to widen choice, and to produce greater economic convergence through reduced government intervention. And quite right too.



We have not embarked on the business of  
throwing back the frontiers of the state  
at home, only to see them reimposed at a  
European level, with a European  
super-state exercising a new dominance  
from Brussels.

Europe has been the crucible of democracy, the  
rule of law and respect for individual  
freedom.



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 requires decisions reached by negotiation between sovereign governments, each elected by their people, and responsible to their national Parliaments.

Certainly we want to see Europe more



united. But it must be in a way which respects the freedom of the individual.

*conserve our many different cultures customs*  
By ~~preserving diversity~~, we enlarge liberty.

### Encouraging Change

My second guideline is this.

There can be no areas of Community policy



*This comes with difficulty after the other nations - suggest*

*Community policies must provide present problems in a relevant product way the solutions must be relevant to the world in which we live.*

which are sacrosanct or immune to change.

If we cannot reform those Community policies which are patently wrong or ineffective and which are rightly causing public disquiet, then we shall not get the public's support for the Community's future development.

That is why the achievements of the European Council in Brussels last February



are so important.

It wasn't right that over half the total

Community Budget was being spent on

storing and disposing of surplus food.

Now those stocks are being sharply

reduced.

It was absolutely right to decide that

agriculture's share of the budget should



be reduced to free resources for policies  
which create jobs .

It was right too to introduce tighter  
budgetary discipline to enforce these  
decisions.

Those who complained that the Community  
was spending so much time on  
financial detail missed the point.



You cannot build on unsound foundations;  
and it was the fundamental reforms agreed  
last winter which paved the way for the  
remarkable progress which we have since  
made on the Single Market.

But we cannot rest on what we have achieved so  
far.

We still need further improvements in  
financial management and control.



And the task of reforming the Common  
Agricultural Policy is far from complete.

I accept that the Common Agricultural Policy  
has played an essential role in the  
construction of Europe.

Europe needs a stable and efficient  
farming industry.

But the CAP has become unwieldy and



inefficient.

It has placed a high cost especially on our taxpayers, but also on consumers.

And production of unwanted surpluses neither safeguards the income nor the future of farmers themselves.

This view is now widely shared in the Community.

In the last few years we have achieved



some important reforms.

The decisions we took this February mark a major advance in controlling our spending on agriculture.

We must continue to pursue policies which relate supply more closely to market requirements, and which will reduce overproduction and limit costs.



And we need to go on seeking ways of

protecting the countryside and the rural way of life without imposing unacceptably high costs on consumers and taxpayers.

Tackling these problems requires political courage.

The Community will only damage itself in the eyes of its own people and the outside world, if that courage is lacking.



Europe open to enterprise

My third guideline is the need for the

Community to encourage individual

enterprise if it is to flourish and

succeed.

The basic framework is there: the Treaty

of Rome is in fact a Charter for Economic

Liberty.



But that is not how it has always been read, still less applied.

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 lesson of the economic history of

Europe in the 70s and 80s is that

"dirigisme" doesn't work, and that

*person*  
~~individual~~ *initiative* endeavour does.

That central planning is a recipe for low

growth; and that free enterprise <sup>*with a framework*</sup> brings <sub>*162*</sub>

better results.



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 powers emerging in Asia  
and elsewhere.



But completion of the Single Market must

not mean tying ourselves up in ever more regulations.

Indeed it should not only mean fewer

regulations - replacing a cats cradle of

conflicting national rule-books - but

simpler and clearer ones.



Our aim should be not to regulate more or to issue ever more directions from the centre: it should be to deregulate, to liberalise and to open up.

Take monetary matters.

The key issue is not whether a European Central Bank is necessary.

The real requirements are:

- full implementation of the Community's



long overdue commitment to free movement of capital round Europe, and to the abolition throughout the Community of the exchange controls which were abolished in Britain in 1979, so that people can invest wherever they wish.

- the establishment of a genuinely free market in financial services, in banking, insurance, investment.



- greater use of the ecu.

Britain is this autumn issuing  
ecu-denominated Treasury bills, and hopes  
to see other Community governments  
increasingly do the same.

This provides companies with a useful  
means of hedging against currency  
movements: it is a practical encouragement  
to trade.



These are the real requirements because

they are what Community business and industry needs, if they are to compete effectively in the wider world.

And they are what the European consumer wants, for they will widen his choice and lower his costs.

It is to such basic practical steps, which

respond to realities, not rhetoric, that



the Community's attention should be

*Plus, some people resort to violence because they are not prepared to lose the medicines.*  
 devoted. The question of a European

Central Bank is a distraction, a surrender  
*of democracy ~~and~~ a* from limitations of the power of the  
 Parliaments to which we are answerable.

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 our  
 citizens to travel throughout the  
 Community.



But it is a matter of plain commonsense that we cannot totally abolish frontier controls if we are to protect our citizens and stop the movement of drugs, of terrorists, of illegal immigrants.

[Indeed only three weeks ago a single, brave German customs officer doing his duty on the frontier between Holland and Germany struck a major blow against the terrorists of the IRA].



We shall make much quicker progress if we define practical steps towards closer cooperation and greater liberalisation, 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. And the objective

of the single market came above that of the common agricultural policy



Europe open to the world

My fourth guideline concerns the

Community's role in the world.

We cannot properly safeguard the

prosperity of Europe unless the world

prosper: so we must ensure that our

approach to world trade is consistent with

the liberalisation we preach at home.



Just as economic success in each of our countries has come from restructuring, from getting rid of restrictive practices and <sup>reducing</sup> 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, and to do so in the multilateral negotiations in the GATT.



It would be a travesty if, while breaking  
*contributions on trade*  
down ~~internal barriers~~ to create the  
Single Market, the Community sought  
greater external protection.

Such a course would damage the  
multilateral trading system: it would also  
damage the Community itself.

Instead we should be seeking to persuade  
others in GATT to open their markets too,  
thus contributing to global



liberalisation.

One of the key issues in the current GATT negotiations is agriculture.

But we cannot urge others to reform their agriculture unless we are prepared to continue the process in Europe, on the lines I have already described.

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 guise of food aid.



Europe and Defence

Lastly, the most fundamental issue of all:

the responsibility to ensure Europe's  
security.

And here my guideline is that we must  
fully live up to that responsibility,  
even if it means taking difficult  
decisions and meeting heavy costs.



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 guard.



Indeed it is clear <sup>or might</sup> that Europe <sup>as nations should</sup> ~~is going to~~  
 be called upon to bear a ~~much~~ heavier  
 responsibility for its own security <sup>within NATO</sup> (than  
 in the past.


We must:

*Give 2% GDP spent on Defence - We can't expect  
 the U.S. to spend 2% when we are only  
 prepared to spend 1%*

- 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;

- find ways to meet the requirements for stronger conventional defence in Europe  against Soviet forces which are still being rapidly modernised.

This is a responsibility none of us can evade.



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

- and find ways to preserve Europe's strength and unity at a time of change and <sup>uncertainty</sup> ~~possible instability~~ in the Soviet Union and Eastern Europe, while keeping the door open to ~~future~~ co-operation 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 greater defence effort

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 all our countries that we cannot rely for ever on others for our defence but must shoulder more of the burden



ourselves.

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 co-operation between all NATO's members,



- in particular those who cannot bring themselves to integrate their forces fully with NATO;
- and in developing the WEU, not as an alternative to 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, that the weight of European



governments' intellectual and political effort will need to be devoted over the next few years.

Only then will this generation of European leaders be able to claim with confidence that we have matched the vision and the fearless courage of the post war generation: that the Europe we hand on to our successors is more prosperous, more



enterprising, and more secure.

The British approach

I have set out five ways in which we in

Britain want to see Europe develop.

It is a pragmatic, rather than visionary

approach, and none the worse for that.

It does not require new documents: they



are all there, in the North Atlantic Treaty, the Revised Brussels Treaty, and the Treaty of Rome, texts written by far-sighted men, a remarkable Belgian - Paul Henri Spaak - among them.

What we need now is to get on with the job, implementing those texts, rather than letting 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: the rest will  
follow .....