

PRIME MINISTER

EUROPEAN SPEECH

I attach a further version, which is intended to take account of our discussion today. It still lacks a passage spelling out areas where we are ahead of others in opening our markets: I need the help of DTI to compile this. I have started on a new conclusion, but have not yet had the time to finish it.

Subject to your comments on this version, I propose to circulate a revised text to Whitehall tomorrow.

C. D. P.  
—

(C. D. POWELL)

13 September 1988

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As at 14/9/88

SP3ABM

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  
bravery 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 Genghis Khan to speak on the virtues of peaceful co-existence.

### Britain and Europe

I want to start by disposing of some myths

about my country, Britain, and its  
relationship with Europe.

And to do that I must say something about  
the identity of Europe itself.

Europe is not the creation of the Treaty of  
Rome.

Nor is the European idea the property of  
any group or institution.

~~I have every right to say that.~~

We British are as fully ~~h~~ heirs to the legacy of European culture as ~~i~~ any other nation.

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

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.

Our ancestors - Celts, Saxons and

Danes - came from the continent.

Our nation was - in that favourite Community

word - "restructured" under Norman and

Angevin rule in the eleventh and twelfth

centuries.

This year in particular we celebrate the three

hundredth anniversary of the Glorious



Revolution in which the British crown  
passed to King William of Holland and  
Queen Mary.

Visit the great Churches and Cathedrals of  
Britain, read our literature and listen to  
our language: all bear witness to the  
cultural riches which we have drawn from  
Europe - and Europeans from us.

We in Britain are rightly proud of the way in which, since Magna Carta in 1215, we have pioneered and developed representative institutions to stand as bulwarks against tyranny and bastions of freedom.

And proud too of the way in which for centuries Britain was a home for people from the rest of Europe who sought sanctuary from tyranny.

But we know that without the European legacy of political ideas we could not have achieved as much as we did.

From classical and medieval thought we have borrowed that concept of the rule of law which marks out a civilised society from barbarism.

And from that concept of Christendom - for long synonymous with Europe - with its recognition of the unique and spiritual

nature of the individual, we still <sup>have</sup> ~~draw~~  
<sup>our belief in</sup>  
~~heavily in our defence~~ of individual  
<sup>liberty (other human rights)</sup>  
~~rights and basic truths.~~

Too often the history of Europe is described as  
 a series of interminable wars and <sup>quarrels</sup>  
~~squabbles.~~

Yet from our perspective today surely what  
 strikes us most is our common political  
 experience.

The story of how Europeans explored and colonised and - yes, without apology - civilised the world is an extraordinary tale of talent and valour.

We British have in a special way contributed to Europe.

For over the centuries we have fought and died for her freedom, to prevent Europe from falling under the dominance of a

single power.

Had it not been for that, Europe would  
have been united long before now - but not  
in liberty or justice.

The way in which for the last two hundred  
years we have fought tyranny in Europe,  
and still today station 70,000 British  
servicemen on the mainland is proof enough  
of our commitment to its future.

The European Community is one manifestation of that European identity.

It is not the only one.

We must never forget that East of the Iron Curtain peoples who once enjoyed a full share of European culture, freedom and identity have been cut off from their roots.

We shall always look on Warsaw, Prague and Budapest as great European cities.

We do not want to have so frozen a  
 structure in Western Europe that <sup>it</sup> ~~we~~ cannot  
 be adapt <sup>del</sup> <sup>recommende</sup> to ~~make use of~~ the new  
 opportunities and ~~new~~ challenges that  
 may open ~~there~~ <sup>in Western Europe</sup>.

Nor should we forget that European values

have <sup>helped</sup> ~~gone~~ to make the United States of  
 America into the dynamic defender of  
 freedom which she has become.



The history of Europe itself cries out against the creation of an inward-looking super-State.

A citizen of Europe is a citizen of the world - the world whose values and standards Europe herself has done so much to create.

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.

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 full 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 device to be <sup>constantly</sup> endlessly modified <sup>because of</sup> ~~according to~~ the dictates of some abstract theory.

Nor is it to be ossified by endless regulation.

It is the practical means by which Europe can ensure its future prosperity and security in a world in which many other powerful groupings are emerging, and in which modern weapons have made even small countries a force which no-one can ignore.]

We Europeans cannot afford to waste our energies on internal disputes or arcane institutional debates.

They are no substitute for effective  
action.

Europe has to be ready both to contribute in  
full measure to its own security and to  
compete - and compete in a world in which  
success goes to the countries which  
encourage individual initiative, rather  
than to those which attempt to diminish  
it.

I want this evening to set out some guidelines for the future which I believe will ensure that Europe does compete and will succeed, not just in economic and defence terms but in the quality of life of its people.



Strength through Diversity and Individual

Freedom

My first guideline is this: willing and active cooperation between independent sovereign states is the best way to build a successful European Community.

Europe will be stronger precisely because it has France as France, Spain as Spain,

Belgium as Belgium, Britain as Britain,

each with its own <sup>custom</sup> ~~languages~~ and

traditions, <sup>it would be jolly</sup> ~~rather than trying~~,

artificially to standardise them to fit

some sort of neutral, identikit European

personality.

Some of the founding fathers of the Community

thought that the model might be the United

States of America.

But the whole history of America is quite  
different from Europe.

People went there to get away from the  
intolerance and constraints of life in  
European countries.

They sought liberty and opportunity; and  
their strong sense of purpose helped  
create a new unity and pride in being  
American - just as our pride lies in being  
British or Belgian or Dutch or

German.

I am the first to say that on many great issues the countries of Europe should try to 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, or in our relations with

the rest of the world.

But working more closely together does not require the creation of a new and artificial European super-state.

It is ironic that <sup>just</sup> when those countries

such as the Soviet Union, which have tried to run everything from the centre, are learning that success depends on dispersing power and decisions away from

the centre, <sup>that</sup> (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 <sup>successfully</sup> ~~embarked~~ on the business of

rolling<sup>ed</sup> 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.

Certainly we want to see Europe more

united and with a greater sense of common

purpose. But it must be in a way which preserves the different traditions, customs and the sense of pride in one's own country, <sup>for them</sup> which have been the source of Europe's vitality and inventiveness through the centuries.

### Encouraging Change

My second guideline is this.



Community policies must tackle present problems in a practical way and the solutions must be relevant to the world in which we live.

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 cut in order 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.

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.

Yes, we must protect the villages and rural

areas which are such an important part of our national life.

But we should do so by exploiting new technologies and better communications to create jobs in rural areas so that people will have the opportunity to stay in their communities and *whether they will have a better quality of life* ~~take pride in the~~ landscape.

This will be far less of a burden on the consumer and the taxpayer than simply



piling up ever larger surpluses.

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 is read nowadays,  
still less applied.

Our own experience in Britain has pointed

the same way.

We have rediscovered the spirit of enterprise by realising that ~~so-called~~ 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 personal endeavour and initiative does.

That central planning is a recipe for low growth; and that free enterprise within a framework of law brings better results.

The aim of a Europe open for 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.

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.

It should mean not only fewer regulations, but  
simpler and clearer ones.

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.

And abolishing exchange controls throughout the Community must not mean creating new controls between Europe and the rest of the world.

- 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.

These are the real requirements because

they are what Community business and industry need, 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 that the Community's attention should be devoted, not to a European Central Bank which is a distraction from them.

Alas, some people resort to rhetoric because they are not prepared to face the practicalities.

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 people 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].

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 prospers: 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 reducing 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 down constraints on trade 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 shall not succeed in persuading others to reform their agriculture unless we in Europe are also prepared to go further down that road - and discussion at the Toronto Economic Summit revealed that there is still considerable resistance to that.

We have a responsibility to give a lead here, a



responsibility which is particularly directed towards the less developed countries.

More than anything they need improved trade opportunities, not to be regarded as perennial pensioners forced to reply on Europe's agricultural surpluses in the guise of food aid.

Europe and Defence

Lastly, and perhaps the most fundamental issue, the European countries' role in defence.

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.

Thankfully 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, a peaceful offensive, the world over for the first time in my life-time.

But there can be no question of relaxing our efforts.

Rather we must strive 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.

Increasingly they will look to Europe to

play a bigger part in out-of-area

defence, as we have recently done in the

Gulf.

We must keep public confidence in the  
continuing need for nuclear deterrence,  
remembering that obsolete weapons do not  
deter, hence the need for modernisation.

We must meet the requirements for effective  
conventional defence in Europe against  
Soviet forces - tanks, aircraft,

artillery - which are constantly  
being modernised.

This is a responsibility none of us can  
evade.

Above all at a time of change and uncertainty,  
in the Soviet Union and Eastern Europe, we  
must preserve Europe's unity and resolve,  
so that whatever may happen our defence is  
sure.

At the same time, we must keep open the door to cooperation on arms control and all the issues covered by the CSCE.

NATO and the WEU have long recognised

where the problems lie and have pointed out the solutions.

The time has come when we must give

substance to our declarations about

greater defence effort and better value

for money 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.

The future must lie:

- in strengthening NATO, not in seeking alternatives to it;
- in increasing military co-operation between all NATO's members, including 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 utopian goals.

Utopia never arrives and we should not like it if it did.

However far we may all want to go, the

truth is that you can only get there one  
step at a time.

Let us concentrate on making sure that we  
get those steps right.

Let Europe be a family of nations,

understanding each other better,

appreciating each other more, having

better acquaintance of each other's

language and customs, but relishing our individual identity no less than our common culture.

Let us see the barriers against individual enterprise and initiative brought down, to create a real common market in the common interest.

Let us have a Europe which looks outward not inward, and which preserves that Atlantic Community - that Europe on both

sides of the Atlantic - which is our  
greatest inheritance from the post war  
period and our greatest strength.