as 'roughing-up' of EEC goes on

Comparison with de Gaulle not an insult, says Thatcher

By Simon Heffer in Luxembourg

AN UNREPENTANT Mrs Thatcher yesterday continued what has been interpreted by senior Europeans as "a roughing-up" of leading EEC politicians as part of a campaign to keep Brussels's hands off Britain.

In Luxembourg on the second day of her four-day European tour, she remained in uncompromising mood in spite of the furore she has caused in European capitals, saying in a speech which was an abridged version of the one she delivered in Bruges on Tuesday that a centralised European government would be a nightmare.



Anger and disbelief in Europe

By Alan Osborn Common Market Correspondent in Brussels

EUROPEAN politicians and newspapers reacted to Mrs Thatcher's Bruges speech with anger, sadness and disbelief.

In West Germany, the national press agency DPA spoke of Mrs Thatcher as having launched "a real crusade against European unity". The Right-wing daily Die Welt had a headline saying Mrs Thatcher "harped on the

national view."

The leading French newspaper
Le Monde said that what Mrs
Thatcher said was not new and
had been stated "in her usual
raw and provocative style."

But the paper commented that "what she said had its uses", noting that many of the points she raised would have to be tackled in advance to the 1992 single

In Denmark the reports of Mrs Thatcher's speech were not prominent, but correspondents in Copenhagen said there was likely to be strong and largely favourable comment later

favourable comment later.

In terms of public opinion,
Denmark leads Britain in its dislike of the Common Market and
moves for European union.

The Greek Prime Minister, Mr Andreas Papandreou, said his government, as the president-inoffice of the EEC, would seek Mrs Thatcher's "exact meaning of her vision of Europe."

He said, in a BBC interview, that the stand taken by Mrs Thatcher was "difficult to understand and worrying". Greece would want a formal declaration of Britain's approach through the EEC Council of Ministers.

European Commission spokes-

man declined to comment on the Prime Minister's expression of policy which puts the Government directly at odds with the goals set out by the commission's president, M Delors.

He is reported to be consider-

He is reported to be considering a detailed response, but yesterday he merely issued a bland statement saying that "what unites us more important than what divides us."

EEC officials said that, while most decisions required to achieve the single market could be taken by majority vote, several key elements, and most notably the proposal for harmonising indirect tax rates, had to be agreed unanimously.

"If Britain does not agree to

"If Britain does not agree to the approximation of VAT and excise duties, internal frontiers between the member states cannot be abolished and a vital element in the 1992 plan is missing," said one senior o fficial.

"It is possible in theory to proceed with plans to create a European central bank and common currency without British support but the 1992 plan for a single market without frontiers will be gravely weakened unless there is British participation," he added.

Asked by reporters why the leaders of other major EEC countries had not raised similar objections about loss of sovereignty, Mrs Thatcher said: "Because they tend to talk in generalities. I am one of the few people to ask, 'What do you mean by that?' when they talk of European union."

She reaffirmed Britain's commitment to the single European market, saying Britain had not needed to be issued with directives about conforming with the spirit of 1992.

In her only direct reference to her Bruges address, she told correspondents: "I'm very pleased with the reaction to the speech. It's making people think."

At a lunch given in her honour by Luxembourg's Prime Minister, M Jacques Santer, she said that over the past 10 years the Community had made great progress towards creating a genuine single market.

"But in these great changes which are taking place," she added, "we must ensure that we do not allow Europe to become entangled in a new network of rules and regulations which stifle initiative and enterprise.

"Those countries like the Soviet Union which have tried to run everything from the centre, are now learning that success depends upon dispersing power and decisions away from the centre.

"It would be absurd for us in Europe to move in the opposite direction. A centralised European government would be a nightmare.

"We have not rolled back the frontiers of the state at home only to see them re-imposed at a European level.

"No, our future must lie in willing and active co-operation between independent sovereign governments, each answerable to their national parliaments.

"Of course we want Europe to be more united, of course we want to work more closely together, but it must not be at the expense of individuality, the national customs and traditions which have made Europe great in the past and are the best hope for its future.

"Whatever the theoreticians may say, the reality is that our people want to be European, but they want to be Luxembourgers or Britons too, with control of their own destinies in the hands of their own elected representatives."

Questioned by reporters about the comparisons made by the Belgian Foreign Minister, Mr Leo Tindemans, between her obstinacy and Gen de Gaulle's, she replied: "De Gaulle was a considerable personality. It's certainly not an insult."

At a press conference to round off her nine-hour visit to Luxembourg, she said she had achieved a high level of agreement with M Santer. "It's not surprising that Luxembourg and Britain should be very close to each other. The Bruges speech — P9
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peoples of both countries are very proud of their identities."

M Santer said they had had "very fruitful discussions about some problems in our bilateral relations". In an obvious reference to Mrs Thatcher's Bruges speech, he added: "We in Luxembourg are aware we can only survive in a greater community."

He emphasised though that he was speaking as the head of government of the EEC's smallest country.

Surprisingly, Mrs Thatcher found M Santer quite sympathetic towards her attitude on EEC centralisation. He expressed his own opinions, but conceded that Mrs Thatcher had a valid point.

He outlined global issues upon which Britain and Luxembourg are at one. Then, discussing Europe, he said: "Without any doubt we have to unite in order to survive.

"Only through the progressive union of its peoples, large and small, will Europe maintain its freedom as well as its civilisation, its liberties, the well-being of its civilisations, its prestige and its influence in the world,"

M Santer qualified that view by stressing the need for "specific liberties" to be safeguarded. "I have noticed for some time that our communitarian instincts are not taking into account a proper pluralism of our Community to a desirable extent any more."

The line being purveyed by

The line being purveyed by Downing Street was that Mrs Thatcher was on a mission to "make people think" about what lay behind rhetorical phrases such as "European unity". But that is not how it was received on the Continent yesterday.

Leading European officials did not hide their feelings — similar to those expressed by Labour's Foreign Affairs spokesman, Mr George Foulkes — that Mrs Thatcher's main concern was to defend her own constitutional rights as British Prime Minister from the incursions of Brussels.

Her fears about Euro-domina-

Her fears about Euro-domination surfaced in the context of television.

During their talks, M Santer raised the EEC demand that all nations broadcast a quota of at least 50 per cent of Euro-produced television. The industry is

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Thatcher warning

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one of the Grand Duchy's leading foreign exchange earners.

Mrs Thatcher argued that, in television as in many other concerns, Britain should make up its own mind and observe free market principles.

She raised similar objections to EEC attempts to impose a directive on television standards and on the frequency of commercial breaks. In a pointed criticism of EEC regulatory practice, she said: "Advertisements are a matter for the consumer."

Brussels insists that long programmes like feature films should be shown uninterrupted, with advertising before and afterwards. Mrs Thatcher said she favoured the "natural break" system, and had told M Santer so.

The matter—as well as the code of practice on broadcasting standards—will be discussed at the Council of Europe in Stockholm in November. Britain would prefer all broadcasting standards to be resolved there by convention rather than be left to the EEC to impose its will.

Mrs Thatcher spelt this out to reporters, using the point to illustrate her dislike of the EEC seeing itself as "Europe".

"One wants broader agreement than with just 12 countries of the EEC," she said.

The Council of Europe contains 21 members and Mrs
Thatcher is anxious to secure commitments on high broadcasting standards to include potential broadcasters to Britain from

outside the EEC.

She said: "We are very keen to have a code of practice on actual standards of television. We don't want channels to go pornographic."

Mrs Thatcher and M Santer reached significant agreement on tax harmonisation. Their view was that taxes on capital can and should be harmonised, and VAT can be, but should not.

In the afternoon, the Prime Minister visited the Astra satellite installation at Bettesdorf. She was briefed on the system—part owned by Thames Television and Mr Rupert Murdoch—that will beam Mr Murdoch's Sky Channel to Britain.

She was told how the satellite will be launched in December from French Guyana, using an Ariane rocket, and will begin broadcasting next February.

On satellite broadcasting, Mrs
Thatcher told reporters: "We
believe we have a duty to protect
people from pornography and
violence. Certain sorts of violence and sex should not be permitted to be shown."

She said she hoped the Council

of Europe would reach an agreement to make it an offence to

advertise on channels showing unacceptable programmes.

our Media Correspondent writes: Mrs Thatcher's comments on television advertising will be welcomed by ITV, which says proposals which have been put forward could cause losses of millions of pounds in revenue.

Advertisers feared the proposed system of placing advertisements in "time blocks" and eliminating "natural breaks" in programmes would reduce the impact of advertising and create a downmarket trend in a search for larger audiences.

The proposals are favoured by West Germany, where advertising is concentrated in the press rather than on television.

But the British refusal to countenance European advertising proposals is balanced by the Government's need to sign a convention on broadcasting which gains valuable Continental agreement on standards of taste and decency on satellite television.

Mrs Thatcher said that some people alleged that more channels financed by advertising or subscription would lead to programmes of lower quality.

"We do not necessarily accept that. But what I am worried about is that it is possible that some channels may wish to portray pornography or violence and some of the things that we have

ousted from the videos.

"We believe we have a duty to protect young people, indeed all people, from this. The picture that goes into your living room is the most powerful form of communication known on this

Earlier this month, Mr Renton, Home Office minister in charge of broadcasting, advanced a compromise proposal on advertising breaks, in which each country would select its own system, provided there was less than 7.5 minutes of advertising an hour.

The following is the text of Mrs Thatcher's speech to the College of Europe in Bruges on Tuesday evening which has angered other European leaders

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.

We British are as much heirs to the legacy of European culture as any other nation.

Our links to the rest of Europe, the continent of Europe, have been the dominant factor in our history. For 300 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 11th and 12th centuries.

This year we celebrate the 300th anniversary of the Glorious Revolution in which the British crown passed to Prince William of Orange 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 other 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 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 on that idea of Christendom - for long synonomous with Europe - with its recognition of the unique and spiritual nature of the individual, we still base our belief in personal liberty and other human rights.

Too often the history of Europe is described as a series of interminable wars and quarrels. Yet from our perspective today surely what strikes us most is our common experience. For instance, the story of how Europeans explored and colonised and - ves, without apology civilised much of the world is an extraordinary tale of talent, skill and courage.

We British have in a special way contributed to Europe. Over the centuries we have fought to prevent Europe from falling under the dominance of a single We have fought and we have died for her freedom

Only miles from here in Bellie the bodies of 120,000 British soldiers who died in the First World War. Had it not been for that willingness to fight and to die, Europe would have been united long before now — but not' in liberty, not in justice.

It was British support to resistance movements throughout the last war that helped to keep alive the flame of liberty in so many countries until the day of liberation.

Tomorrow, King Baudouin will attend a service in Brussels to commemorate the many brave Belgians who gave their lives in service with the Royal Air Force - a sacrifice which we shall never forget.

It was from our island fortress the liberation of Europe itself was mounted. And still today we stand together. Nearly 70,000 British Servicemen are stationed on the mainland of

All these things alone are proof of our commitment to Europe's future.

The European Community is one manifestation of that European identity. But 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

Nor should we forget that European values have helped to make the United States of America into the valiant defender of freedom which she has become.

Europe's future

This is no arid chronicle of obscure facts from the dust-filled libraries of history. It is the record of nearly 2,000 years of British involvement in Europe, co-

operation with Europe and contribution to Europe, a contribution which today is as valid and as strong as ever.

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

The European Community belongs to all its members. It must reflect the traditions and aspirations of all its members

And let me be quite clear, Britain does not dream of some cosy, isolated existence on the fringes of the European Community. Our destiny is in Europe, as part of the Community. That is not to say that our future lies only in Europe. But nor does that of France or Spain or indeed any other member.

The Community is not an end in itself. Nor is it an institutional device to be constantly modified according to the dictates of some abstract intellectual concept. Nor must it be ossified by endless regulation.

The European Community is the practical means by which Europe can ensure the future prosperity and security of its people in a world in which there are many other powerful nations and groups of nations.

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 commercially and industrially, in a world in which success goes to the countries which encourage individual initiative and enterprise, rather than to those which attempt to diminish them.

This evening I want to set out some guiding principles for the future which I believe will ensure that Europe does succeed, not just in economic and defence terms but also in the quality of life and the influence

Co-operation between sovereign states

My first guiding principle is this: willing and active co-operation between independent sovereign states is the best way to build a successful European Community.

To try to suppress nationhood and concentrate power at the centre of a European conglomerate would be highly damaging and would jeopardise the objectives we seek to achieve.

Soviet Union learning success depends on dispersing power

Europe will be stronger precisely because it has France as France, Spain as Spain, Britain as Britain, each with its own customs, traditions and identity. It would be folly to try to fit them into some sort of identikit European personality.

Some of the founding fathers of the Community thought that the United States of America might be its model.

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 Europe

They sought liberty and opportunity; and their strong sense of purpose has, over two centuries, 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 us work more closely on the things we can do better together than alone.

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 power to be centralised in Brussels or decisions to be taken by an appointed bureaucracy.

Indeed, it is ironic that just 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, some in the Community seem to want to move in the opposite direction.



President Jacques Santer of Luxembourg greets Mrs Thatcher on her arrival yesterday for a one-day visit

My fourth guiding principle is that Europe should not be

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

breaking down constraints on trade within Europe, the

Community were to erect greater

external protection. We must

ensure that our approach to

world trade is consistent with

the liberalisation we preach at

We have a responsibility to

give a lead on this, a

particularly directed towards the

less developed countries. They

need not only aid, more than

anything they need improved

trading opportunities if they are to gain the dignity of growing

My last guiding principle concerns the most fundamental

issue, the European countries'

role in defence. Europe must continue to maintain a sure

defence through Nato. There can

be no question of relaxing our

efforts even though it means

responsibility which

economic strength

Europe and defence

independence.

It would be a betrayal if, while

protectionist.

We have not successfully rolled back the frontiers of the state in Britain, only to see them reimposed at a European level, with a European superstate 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, parliamentary powers and sense of national oride in one's own country; for these have been the source of Europe's vitality through the

Encouraging change

My second guiding principle is this. Community policies must tackle present problems in a practical way, however difficult that may be. 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 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 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 other policies, such as helping the less well-off regions and training for

It was right, too, to introduce tighter budgetary discipline to enforce these decisions and to bring total EC spending under better control.

Those who complained that the Community was spending so much time on financial detail build on unsound foundations, financial or otherwise; 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 to date. For example, the task of reforming the Common Agricultural Policy is far from complete. Certainly, Europe needs a stable and efficient farming industry.

But the CAP has become unwieldy, inefficient and grossly expensive. Production of unwanted surpluses safeguards neither the income nor the future of farmers themselves.

We must continue to pursue policies which relate supply more closely to market requirements, and which will reduce over-production and limit

Of course, we must protect the villages and rural areas which are such an important part of our national life-but not by the instrument of agricultural

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 guiding principle is the need for Community policies which encourage enterprise. If Europe is to flourish and create the jobs of the future, enterprise is the key.

The basic framework is there: Treaty of Rome itself was intended as a charter for economic liberty. But that is not how it has always been read, still less applied.

The lesson of the economic history of Europe in the 70s and 80s is that central planning and detailed control don't work, and

wish to do in their own countries that personal endeavour and intiative do; that a State-controlled economy is a recipe is a matter for them. • Europe open for low growth; and that free

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.

And that means action to free markets, action to widen choice, action to reduce government intervention.

Our aim should not be more and more detailed regulation from the centre. It should be to deregulate and to remove the constraints on trade.

Britain has been in the lead in opening its markets to others.

The City of London has long welcomed financial institutions from all over the world, which is why it is the biggest and most successful financial centre in Our coastal shipping trade is

open to the merchant navies of Europe. I wish I could say the same of many other Community

Regarding monetary matters, let me say this. The key issue is not whether there should be a European Central Bank. immediate and practical requirements are:

• To implement the Community's commitment to free movement of capital (in Britain we have it) and to the abolition throughout the Community of the exchange controls (in Britain we abolished them in 1979);

• To establish a genuinely free market in financial services, banking, insurance, investment:

• To make 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.

It is common sense that we cannot totally abolish frontier controls

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.

When those have been and sustained over a period of time, we shall be in a better position to judge the next moves.

It is the same with the frontiers between our countries. Of course we must make it easier for goods to pass 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 also to protect our citizens form crime and stop the movement of drugs, of terrorists, and of illegal immigrants.

And before I leave the subject of the Single Market, may I say that we certainly do not need new regulations which raise the cost of employment and make Europe's labour market less flexible and less competitive with overseas suppliers.

If we are to have a European company statute, it should contain the minimum regulations. And certainly we in Britain would fight attempts to introduce collectivism and corporatism at the European level - although what people

problem. It's not a problem of drafting. It's something at once simpler and more profound: it is a question of political will and political courage, of convincing people in all our countries that we cannot rely forever on others for our defences, but that each member of the Alliance must shoulder a fair share of the burden.

It's not an institutional

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

We must meet requirements for effective conventional defence in Europe against Soviet forces which are constantly being modernised.

We should develop the WEU, not as an alternative to Nato, but as a means of strengthening Europe's contribution to the common defence of the West.

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 negotiate on arms control and keep the door wide open to cooperation on all the other issues covered by the Helsinki Accords.

But let us never forget that our way of life, our vision, and all that we hope to achieve is secured not by the rightness of our cause but by the strength of taking difficult decisions and our defence.

On this we must never falter,

peace that has been maintained over 40 years. The fact is things • The British approach

It is to Nato that we owe the

Each Alliance member

must shoulder a fair

share of defence

We must strive to maintain the

United States' commitment to

Europe's defence. That means

recognising the burden on their

resources of the world role they

Nato and the WEU have long

recognised where the problems with Europe's defences lie, and

have pointed out the solutions.

The time has come when we must give substance to our

declarations about a strong

defence effort with better value

for money.

in my lifetime.

are going our way: the democratic model of a free I believe it is not enough just to talk in general terms about a enterprise society has proved European vision or ideal. If we itself superior; freedom is on the offensive, a peaceful offensive, the world over for the first time believe in it, we must chart the way ahead and identify the next steps. That's what I have tried to do this evening.

This approach does not require new documents: they are all there, 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.

However far we may want to go, the truth is that we can only get there one step at a time. What we need now is to take

undertake, and their point that their allies should play a full part decisions on the next steps forward rather than let ourselves in the defence of freedom, be distracted by Utopian goals. particularly as Europe grows Let Europe be a family of nations, understanding each Increasingly they will look to

other better, appreciating each Europe to play a part in out-of-area defence, as we have recently done in the Gulf. other more, doing more together but relishing our national identity no less than our common European endeavour. Let us have a Europe which

plays its full part in the wider world, which looks outward not and in a crisis Europe would not inward, and which preserves that Atlantic Community—that Europe on both sides of the Atlantic-which is our noblest inheritance and our greatest

'Velvet glove xenophobia' attacked in Commons

By Nigel Reynolds **Political Staff**

MRS THATCHER'S uncompromising message to Europe was strongly condemned by opposition par-ties at Westminster ties at yesterday.

But few MPs were left in any doubt that the Prime Minister intends to block progress on a United States of Europe.

Mr Ashdown, leader of the Social and Liberal Democrats, said Mrs Thatcher's speech in Bruges was "xenophobia in vel-Dr Owen, SDP leader, said she

had painted a "Frankenstein Europe" which was no more than a figment of her imagination. There was broad support for

her forthrightness from Tory backbenchers. Ministers and MPs believed

that she had been spurred to deliver such a tough message by the visit of M Jacques Delors, President of the European Commission, to the TUC conference a fortnight ago. M Delors pledged to steer

through from Brussels new rights to protect trade unions from the full rigours of the market economy.

Mr George Gardiner, MP for Reigate and former chairman of the backbench Tory foreign affairs group, said yesterday: "We look forward to a proper internal market after 1992, but it must be a free market, not an interventionist semi-socialist However, Sir Anthony Meyer,

a vice-chairman of the group and an ardent European, said: "The cause of 1992 has been very seriously set back by this.' He forecast that Sir Geoffrey Howe, Foreign Secretary, would

have to embark on a damage limitation tour to mend fences with our European partners. He said the impression had been created that Mrs Thatcher had delivered a "kick in the

teeth" to Europe. This would lead to a two-tier Europe "in which we would be on the outside" He believed that if Britain did not join a European Central Bank, the pound would still have to follow European currencies

be there to steady sterling. Mr Ashdown said Mrs Thatcher "brings to the issues of European co-operation all the finesse of a soccer hooligan on the rampage".