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SPEECH TO BE GIVEN BY THE **RT HON** MRS MARGARET THATCHER FRs, MP,
AT THE OPENING CEREMONY OF THE **39TH** ACADEMIC YEAR OF
THE COLLEGE OF EUROPE, BRUGES: 20 S 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 say what a pleasure it is to speak at the College of Europe under the distinguished leadership of its Rector, Professor Lukaszewski. The college plays a vital and increasingly important part in the life of the European Community.

Third, 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 Europe had already achieved over 600 years ago?

Your city of Bruges has many other historical associations for us in Britain. Geoffrey Chaucer was a frequent visitor here. And the first book to be printed in the English language was produced here in Bruges by William Caxton.

Britain and Europe

Mr Chairman, you have invited me to speak on the subject of Britain and Europe. Perhaps I should congratulate you on your courage. 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!

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 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 we celebrate the three hundredth anniversary of the Glorious Revolution in which the British crown passed to Prince 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 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 concept of Christendom - for long synonymous with Europe - with its recognition of the unique and spiritual nature of the individual, we still base 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 - yes, without apology - civilised much of 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, fought to prevent Europe from falling under the dominance of a single power. Only miles from here lie the bodies of 60,000 British soldiers who died in the First World War. Had it not been for that willingness to fight and die, Europe would have been united long before now but not in liberty and not in justice, It was British help to resistance movements throughout the last War that kept alive the flame of liberty in so many countries until the day of liberation came. 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.

It was from our island fortress that the liberation of Europe itself was mounted. And still today, we station 70,000 British servicemen on the mainland of Europe. 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 cities.

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

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 so have others - and thank goodness we did, because Europe would never have prospered and never will prosper as a narrow-minded, inward-looking club.

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 the European Community, of some cosy, isolated existence on its fringes. Our destiny is in Europe, as part of the Community. That is not to say that it lies only in Europe. But nor does that of France or Spain or indeed any other members.

The Community is not an end in itself. It is not an institutional device to be constantly modified according to the dictates of some abstract theory. Nor must it be ossified by endless regulation. It is the practical means by which Europe can ensure its future prosperity and security of its people in a world in which there are many other powerful nations and groups.

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 - compete 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.

I want this evening 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 in the quality of life and the influence of its people.

Willing m-operation between Sovereign States

My first guideline is this: willing and active cooperation 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.

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 them 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, 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.

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 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, Parliamentary powers and sense of national pride in one's own country, for these have been the source of Europe's vitality through the centuries.

Encouraging Change

My second guiding principle is this. Community policies must tackle present problem 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 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 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, such as helping the less well off regions and training for jobs.

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 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. 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. And 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 overproduction and limit costs.

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 prices.

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.

The basic framework is there: the 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 that personal endeavour and initiative do. ~~That~~ a State-controlled economy 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.

It means action to free markets, to widen choice and to produce greater economic convergence through reduced government intervention.

our aim should not be more and more detailed regulation from the centre: it should be to deregulate, to remove the constraints on trade and to open up.

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 Europe.

We have opened our market for telecommunications equipment, introduced competition into the market for services and even into the network itself - steps which others in Europe are only **now** beginning to face.

In air transport, we have taken the lead in liberalisation and seen the benefits in cheaper fares and wider choice.

Our coastal shipping trade is open to the merchant navies of Europe. I wish I could say the same of many other Community members.

Consider monetary matters. The key issue is not whether there should be a European Central Bank. The immediate and practical requirements are:

- to implement the Community's commitment to free movement of capital - we have it;
- and to the abolition throughout the Community of the exchange controls - we abolished them in Britain in 1979, so that people can invest wherever they wish.
- to establish a genuinely free market in financial services, in 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.

These are the real requirements because they are what Community business and industry need, if they are to ~~be~~ 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 achieved, 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 and stop the movement of drugs, of terrorists, of illegal immigrants. That was underlined graphically only three weeks ago, when one brave German customs officer doing his duty on the frontier between Holland and Germany struck a major blow against the terrorists of the IRA.

And before I leave the subject of the Single Market, may I say that we emphatically 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 corporatism at the European level - although what people wish to do in their own countries is a matter for them.

Europe open to the world

My fourth guiding principle is that Europe should not be protectionist. 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 betrayal if, while breaking down constraints **on** trade to create the Single Market, 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 home.

We have a responsibility to give a lead here, a responsibility which is particularly directed towards the less developed countries. They need not only aid but more than anything they need improved trade opportunities if they are to gain the dignity of growing economic independence and strength.

Europe and Defence

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 if it means taking difficult decisions and meeting heavy costs. We are thankful for the peace that NATO has maintained 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.

We must strive to maintain the US commitment to Europe's defence. That means recognising the burden **an** their resources of the world role they undertake and their point that their Allies should play a full part in the defence of freedom, particularly as Europe grows wealthier. Increasingly they will look to Europe to play a part in out-of-area defence, as we have recently done in the Gulf.

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 and better value for money.

It's not an institutional problem. It's not a problem of drafting. It's such 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 that

each member of the Alliance must shoulder a fair share of the burden.

We must keep public support 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 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 co-operation on all the other issues covered by the Helsinki Accords.

But 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 our defence. On this, we must never falter or fail.

The British Approach

I believe it is not enough just to talk in general terms about a European vision or ideal. If you believe in it, you must chart the way ahead. 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 ~~Speak~~ - a mother.

What we need now is to take decisions on the next steps forward rather than let ourselves be distracted by 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 us concentrate on making sure that we get those steps right.

Let Europe be a family of nations, understanding *e a other* better, appreciating each other more, doing more together but relishing our national identity no less than our *c o m m* European endeavour.

Let us have a Europe which plays its full part in the wider world, which looks outward not inward, and which preserves that Atlantic Community - that Europe on both sides of the Atlantic - which is *our* greatest inheritance and our greatest strength.