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MARGARET THATCHER AND EUROPE

1. I will start with a couple of introductory comments.

2. The organisers of this speech series want the speakers to address the policies of successive Prime Ministers on Britain's membership of the European Union. But Europe in the 1980s was not all about the European Union or European Community as it then was. As Margaret Thatcher said in her Bruges speech “the European Community is one manifestation of Europe's identity but not the only one”. Europe in the Eighties was much more about forcing the withdrawal of the Soviet intermediate nuclear missiles which threatened Europe's security. It was about bringing the Cold War to an end and liberating East and Central Europe from Communism. It was about bringing down the Berlin Wall and re-uniting Germany. In strategic and global terms these achievements were of greater significance for the future of the continent than developments in the European Community which itself played only a peripheral role in them. In judging the performance of British Prime Ministers in Europe one has to keep in mind the relative importance of the European Community in that wider context. Margaret Thatcher's contribution to those historic changes in Europe of the Eighties was of considerably greater significance than her part in the European Community.

3. In similar vein politics and government in the UK in the 1980s were not all about the European Community as they seem to be now, when it seems almost illegal to talk about anything other than Brexit. They were about rebuilding the British economy on free market principles, reducing taxation, privatising nationalised industries, reforming industrial relations to break trade union power, re-taking the Falklands. European affairs mattered of course they did, but not as much as the transformative changes being brought about within Britain. I would guess that Margaret Thatcher spent less time on the problems in our relations with the European Community than any of her successors as Prime Minister, as well as more on changing Britain. Indeed Europe's greatest impact on British politics of the time was, together with the poll tax, to bring down Margaret Thatcher as Prime Minister and end her political career.

4. Having made those two basic points, let me now move on to talk about the question on the exam paper, Margaret Thatcher and the European Community.

5. Margaret Thatcher is the only one of the Prime Ministers on the list not to be alive and able to give her own up-to-date views on Europe in her own time and subsequently, so we have to rely on the historical record which is fortunately abundant. I worked directly for her from 1983-91 and remained in touch with her thereafter. During her time as Prime Minister from 1983 onward I attended every European meeting, and every bilateral meeting with individual European leaders that she held. That gives me a claim to insight
into her views, though for the period before that I have to reply mainly on what she recounted to me herself and what she and others have written. It is risky to speculate on what her view would be of Brexit. But it’s fair to cite such evidence as is available from her record without actually attributing a view to her. I shall come on to that.

6. Margaret Thatcher had no single, consistent view of Europe throughout her political life. Just as Picasso had a rose period, a blue period, and a Cubist period, so Margaret Thatcher’s view on Europe evolved in relation to what was happening in British politics, in continental Europe and in the wider world.

7. In her early life her view was very much conditioned by the Second World War and the horrors inflicted on Europe for the second time in half a century by Germany. That’s hardly surprising for a generation growing up as she did in the Thirties and Forties. It left her with an abiding concern about the re-emergence of an over-mighty Germany, a concern which outlasted reality in terms of hard power, though she was not far off the mark in foreseeing German dominance of the present-day European Union. Just ask any Italian or even Frenchman today if you doubt that.

8. The other conclusion she drew from the War was that while problems for Great Britain historically emerged from the Continent of Europe, salvation came from the English-speaking people of the United States and the Commonwealth. Whether that view would today have been affected by the Trump Presidency one can only speculate. But it gave her a life-long conviction that a close relationship with the United States had to be Britain’s absolute priority with Europe secondary to that.

9. I reject the view that her instinctive view of mainland Europe was based on ignorance of its history and of Britain’s historic and cultural links with it over the centuries. You have only to read the opening paragraphs of her Bruges speech, tracing the centuries of Britain’s involvement in Europe, to realise that is rubbish. Her problems were not with history nor our current involvement with individual European countries in almost every area of life. They were the policies and growing powers of the supranational institutions of the European Community.

10. Returning to my chronological account of her views, in the 1950s and early 1960s, they were characterised by disinterest shared by most other British politicians in the early steps towards creating the EEC. There is no evidence of her showing interest in the Schuman Plan or the Treaty of Rome. Her focus was unambiguously on our domestic affairs, on the Cold War and on the global threat posed by Soviet Communism. European developments outside NATO were secondary and seemed barely relevant by comparison.

11. But by the mid-60s disinterest was not sustainable for a rising and ambitious junior Minister and later Cabinet Minister in a government and Party which had decided that Britain’s future lay within the European institutions. Margaret Thatcher bought into the
prevailing orthodoxy and Ted Heath’s enthusiasm for membership of the then EEC. She became an active member of the European Union of Women whose goal was to “promote European integration”. She took a prominent role in the 1975 referendum confirming our EEC membership. The high-point of her pro-EEC activity may have been the picture of her campaigning in the 1975 Referendum, wearing a pullover adorned with European flags. She used to shudder at the sight of it later in life, though whether more on grounds of politics or fashion I am not sure.

12. She spoke in favour of European defence cooperation and criticised the then Labour Government for failing to join the ERM. “We under-rated the advantage of the EEC” she wrote at the time. “I was wholly in favour of British entry into the EEC for the reasons mentioned”, reasons in her case focused primarily on the strategic case for greater European unity and foreign policy cooperation in the face of the Soviet threat. She does not appear to have been unduly troubled at the time or indeed later, even though herself a lawyer, by the role of the European Court of Justice, which is now so central to the concerns of Brexiteers about the European Union. It would be unfair to attribute any of this to simple careerism: her views appear to be sincerely held in the context of the time.

13. The upshot is that Margaret Thatcher came to the leadership of the Conservative Party and then to No 10 Downing Street without much of a track-record on Europe. Some conventional enthusiasm for it masked considerable indifference. It’s clear that she did not share Edward Heath’s emotional commitment or vision let alone that of other European leaders. Instead she had a fervent belief in Britain’s capacity to manage its own affairs. She judged the European Community largely by what it could contribute to her domestic policy aims. She had no overall strategy for Britain’s role in Europe or for the European Community’s future, and indeed never really articulated one until the Bruges Speech nearly nine years after becoming Prime Minister. As a result her engagement with Europe became what is nowadays referred to as transactional, on a case by case basis.

14. But becoming Prime Minister was nonetheless a watershed. Indifference was no longer an option. She had no alternative but to engage with the European Community from Day One and start to confront some of the contradictions which our membership involved. Her priority was root and branch reform of the British economy through free market policies and reducing tax and regulatory burdens. Yet the ethos of the European Community governments was interventionism in the economy, protectionism in foreign trade and high budgetary spending on agriculture. In foreign policy her commitment to the special relationship with the US had to contend with the uncomfortable fact that successive American Presidents were committed to supporting European unity as a bulwark against Communist subversion and wanted Britain to be a full part of it. More fundamental still was the basic philosophical divide between intergovernmentalists and integrationists. These strategic dilemmas were accentuated by the tension between growing scepticism within the Conservative Party about the costs and constitutional constraints of our membership, and her government’s stated objective which was to make a success of it.
15. None of these strategic dilemmas were resolved during Margaret Thatcher’s three terms as Prime Minister or subsequently, nor could they be as they represented irreconcilable contradictions. They could only be managed. But there were significant victories for British interests along the way.

16. The most obvious was the very substantial reduction in the cost of Britain’s membership which saved the country many billions of pounds over subsequent years. That was a plus. The negative was that it embroiled Margaret Thatcher in unremitting hostilities with the rest of the European Community - Maggie battles for Britain - which embedded in her a belief that the institution was fundamentally hostile to Britain’s interests, and in the rest of the members a rather sanctimonious view that Britain was incapable of being a “good European”. This first encounter left indelible marks.

17. The second notable success was to complete the Single Market in Europe. Incredibly almost nothing had been done towards this since the Treaty of Rome was signed. Although it was not a single-handed Thatcher triumph, she provided the impetus and continuing momentum which brought immeasurable benefit to Britain, building on the success of the Big Bang in the City. It was also another example of Margaret Thatcher’s transactional approach. A price had to be paid for the benefits of the Single Market in terms of increased qualified majority voting - without which the Single Market itself could never have been achieved - and a re-iterated commitment to Economic & Monetary Union which seemed pie-in-the-sky at the time. A myth has grown up that Margaret Thatcher was conned into making this trade-off by wily pro-European British officials. The idea of Margaret Thatcher having the wool pulled over her eyes by officials is absurd in itself. Moreover she herself never claimed it to be the case. What she did rightly object to was subsequent and legally specious attempts by the European Commission to extend the majority voting provisions to issues well beyond those originally envisaged, an example in her eyes of the Commission’s never-ending and devious efforts to circumvent the will of national governments in the interests of increasing its own power.

18. I don’t intend to catalogue every step of Margaret Thatcher’s involvement in the European Community’s affairs. There was good and bad. On the plus side of the ledger the reduction of the proportion of the EU budget going to agriculture and - although not strictly a European Community issue - the agreement with France on the Channel Tunnel a mere couple of centuries or so from when it was first proposed. On the negative side the steady drip of endowing the European Community with the attributes and powers of a state at the expense of individual members, which increased exponentially as economic and monetary union and then the single currency moved up the agenda.

19. The European Community’s inability even to pause and absorb the implications and consequences of these steps to increase its powers and competencies at the expense of the member states before moving ahead with further steps increased Margaret Thatcher’s frustration with the institution and the direction in which it was moving. The pitch of her indignation was caused by Jacques Delors’ attendance at a TUC Conference and his claim that within a short time some 80 per cent of the powers currently exercised by national governments would be in the hands of the European Community. I am not sure M. Delors actually said as much but that was the sense in which it was reported and believed by Margaret Thatcher.
20. This claim while not in itself of great importance and anyway completely inaccurate was a turning point for Margaret Thatcher’s attitude to the European Community. Until then she was prepared to seek compromises which would enable Britain to join common positions even when she was not convinced they were wholly in our interests. And that indeed remained the official policy of her own government throughout the period. But in her mind, a rubicon had been crossed. The pragmatism of her earlier years as Prime Minister gave way to a conviction that any further integration was no longer compatible with our sovereign statehood. Either Europe would have to change direction and slow down progress towards integration. Or Britain would find itself increasingly distancing itself from common European positions as it already had over the Schengen Treaty and stand aside from common positions on policies as over EMU and the Single Currency. The fact that this put her increasingly at odds with the majority of her own Cabinet did not dismay her, though it produced some spectacular falling out in particular over Geoffrey Howe and Nigel Lawson’s unimplemented threat to resign if she would not agree to set a date for Britain to join the Exchange Rate Mechanism.

21. It was against this background of frustration with what she saw as the European Community’s incessant power grabs at the expense of the governments and parliaments of the individual European nation states that Margaret Thatcher delivered her Bruges speech in 1988. It is the fullest statement of her views on Europe and the European Community that she ever gave and still bears reading. I shall resist the temptation to read it aloud today. But it is far from being the Eurosceptic Charter it was subsequently labelled. Let me just recall one or two passages:

“Britain does not dream of some cosy isolated existence on the fringes or the European Community. Our destiny is in Europe as part of the Community....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.... The European Community is a practical means by which Europe can ensure the future prosperity and security of its people... I want to see us work more closely on the things we can do better together than alone. Europe is stronger when we do. But working more closely together does not require power to be centralised in Brussels or decisions to be taken by an appointed bureaucracy... 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”.

22. I would say those few sentences better articulate the fundamentals of Margaret Thatcher’s view of Europe than anything else she said. And they were bolstered by positive proposals in favour of open markets, a Europe open to enterprise, strong transatlantic relations and readiness to bring the East and Central European countries into the European Community as they moved out from under the Soviet shadow.

23. Why did her views not get a better reception in Europe or indeed in parts of the British government? They were hardly the words of a deep-rooted opponent of everything European. Perhaps part of the reason is simply that they were delivered by Margaret
Thatcher who had become a hate figure in some British and European circles. But more substantially I think there were two reasons.

24. First the speech was delivered too late: two or three years earlier with Europe further away from the irrecoverable steps on monetary union and other forms of integration, her manifesto for Europe’s future could have secured a better hearing and wider support. Why the delay? Fundamentally because Margaret Thatcher was preoccupied with other - and to her mind bigger - issues. The invitation from the College of Europe in Bruges had been outstanding for a number of years and the Foreign Office argued it was an embarrassment that she, unlike other European leaders, had not taken it up: an object lesson in being careful what you wish for. Anyway it was a case of the opportunity creating the speech rather than the speech representing a long-planned strike at the heart of European theology.

25. Second, and more fundamental, I think the high priests of integrationist ideology genuinely feared the impact and appeal of her ideas. After all, here was a woman who had stood British politics on its head and transformed Britain. Was it unthinkable that she might succeed in doing something similar in Europe by halting the focus on institution-building and transferring it instead to practical policies to people’s benefit? For me at least, and I believe Margaret Thatcher too, the reaction demonstrated that the European elite feared open debate about Europe’s future which might threaten their plans. And the results of some of the subsequent referendums in several European countries on the Maastricht Treaty and later on the Treaty establishing a Constitution for Europe shows why they had cause to be worried. Margaret Thatcher’s doubts about Europe’s future course were, in their eyes, disturbingly widely shared - not that it stopped them from going ahead.

26. From this point on, Margaret Thatcher’s thinking moved ever more on to the models and formulae for keeping Britain in the European Community without our being full participants - variable geometry Europe, inner and outer circles, opt-outs, a bespoke membership and the like. She no longer regarded it as worthwhile even trying to find compromises when decisions to extend the European Community’s powers were at stake, witness the notorious No! No! No! to Delors’ proposals to treat the European Parliament - or as she invariably insisted on describing it, the European Assembly - as the democratic body of the European Community, the Commission as the Executive and the Council of Ministers as the Senate. She had no qualms about being isolated in Europe and when asked by the media on leaving a European Council meeting how she felt about being isolated 11 to 1, replied with rash bravado “Sorry for the other 11”. True, she grudgingly agreed later that Britain should join the Exchange Rate Mechanism, predicting accurately it would be a disaster, but the reason was that she could not afford the resignation of a second Chancellor as well as a second Foreign Secretary over the issue. In the light of Brexit it’s ironic that her determination to prevent the European Community from encroaching too far on the powers of national governments and Parliaments cost her the leadership of the Tory Party and her political career.

27. I will deal only briefly with Margaret Thatcher’s post-No 10 views on Europe. Freed from the constraints of government she became steadily more critical of the Community. She demonstrated scant loyalty to her successor’s attempts to battle with
the same issues she had, affirming that she could never have signed up to Maastricht but
would have opposed it root-and-branch, over-looking John Major’s success in negotiating
opt-outs which was the very course on which she herself was set.

28. Even in retirement she never categorically proposed that Britain should leave the
(by then) European Union, though she certainly discussed the possibility. She wrote
wistfully that by rejecting De Gaulle’s proposal for association between Britain and the
EEC following the breakdown of negotiations in 1964 “we missed the best European bus
that ever came along”. What I can say with confidence is that she never discussed or
pursued the option of leaving while she was Prime Minister. She was scathing about the
pointless-ness of empty-chair policies as practised by the Soviet Union at the UN and
President De Gaulle in Europe. And she detested referendums, describing them as
instruments of tyranny. Her efforts were directed instead to changing the European
Community not to abandoning it, and over a decade after leaving office she was still
asserting that “our destiny is in Europe”. The more doctrinaire Eurosceptics will point
out that she said ‘Europe’ not the ‘European Community’. But Margaret Thatcher was not
one to make self-evident assertions.

29. So how does Margaret Thatcher’s record look? I will suggest a number of distinct
conclusions.

30. First, stand back and look at her record as Prime Minister as a whole. She wrought
extraordinary changes in our country, rebuilt its international standing and contributed
mightily to the single most far-reaching change in the world scene in the second half of
the 20th century with the end of the Cold War. Her policies on Europe had a role in that
but much more in terms of defence and security than of the European Community. No-one
could credibly say that the European Community was a side-show, but its activities
contributed less to the collapse of the Soviet Union and global communism than did NATO
or the efforts of the key individual member states, the UK, Germany and France.
Margaret Thatcher herself was focussed on the liberation of Central and Eastern Europe
while Brussels was still in the grip of old-style Ostpolitik. So when judging her overall
record as Prime Minister, one needs to keep the relative importance of her opposition to
ever closer European integration in proportion.

31. Second, she undoubtedly did get some things wrong about Europe. She never
understood the deep emotions which building the European Community and later the
Union aroused in continental Europe. She was mistaken to think that expressions like
“political union” meant less than the words and to insist that since no-one could define it,
it must be meaningless. She could not take idealistic rhetoric seriously and as a result
under-estimated how much it would guide the actual policies of other Europeans. For her
the European Community was basically a trading framework and a useful vehicle for
foreign policy cooperation, not a vision of Europe’s future.

32. Third, while she may have made mistakes, she made some very sound judgements
too. She disliked the European Community’s constant resort to new institution-building
rather than substantive policy solutions whenever faced with a problem. She regarded its
attachment to the value of state intervention in the economy as yesterday’s future. She never bought into the concept that only by being part of a bigger unit could Britain promote its interests in the future. In her eyes, the advantages of size could be achieved by like-minded allies working together rather than requiring integration. And she thought that anyway the will to act and having the right ideas and instincts were a lot more important to global influence than size.

33. Fourth, whatever the rights and wrongs of her views, she did an astonishing job for Britain from getting our money back, to implementing the Single Market, to preparing the way for East European countries to enter the Community, to keeping us out of the Schengen Agreement, to a host of more detailed gains. Her main aim throughout was to make our membership of the European Community good for Britain even if that meant not always behaving as a ‘good European’. Other countries were no less determined to extract national advantage from the EC, but were better at concealing it beneath a mass of idealistic verbiage.

34. Fifth, would she have served Britain’s national interest better by being less forceful, less outspoken, less shrill, by acting as a better European and by being readier to accept compromises? I disagree. The gains we made could only have been achieved by a tough, no-holds barred negotiator prepared to ignore every attempt to intimidate her. Neither the patronising put-downs of President Giscard & Chancellor Schmidt, nor the bluster of Chancellor Kohl, nor the sulks of President Delors put her off from securing what Britain needed and deserved. Would a more communitaire approach have secured us even more? It may have made us more likeable but I see no evidence our concrete interests would have been better served. I developed a habit of slipping into European Heads of Government meetings in the late afternoon when I sensed Margaret Thatcher might be flagging, taking her a whisky. Chancellor Kohl once beckoned me over when he was in the chair and begged me not to do it: ‘you are making her worse’ he said. ‘That’s the whole point, Herr Bundeskanzler’ I replied.

35. Sixth, could Margaret Thatcher have done more to heal the divisions over Europe in her own party? It’s hard to see how. The existence of a hard core of Euro-sceptics in the Conservative Party pre-dated her time as Prime Minister. She met regularly with them to explain and justify the government’s policies, and they could hardly have accused her of failing in her duty to stand up vigorously for British interests in Europe and fight against European policies which were inimical to the free-market philosophy of the government. But there were limits to how far she was prepared to be influenced by Euro-sceptics. The Bruges Speech was not a surrender to them but a manifesto for a new direction for Europe which would make the European Community more successful, not undermine and weaken Britain’s membership of it. Margaret Thatcher as Prime Minister fought for a better Europe more in tune with the requirements of economic prosperity and international security. Her battles was not to emasculate it, let alone abandon it.

36. Last, did Margaret Thatcher’s intransigence in Europe make eventual Brexit inevitable? Britain was the Awkward Squad for other Europeans long before Margaret Thatcher took an interest in European affairs and remained so after she stepped down. In reality there has been an incompatible tension between intergovernmentalism and
integrationism at the heart of Britain’s membership of the EU from the beginning. The Heath government which took Britain into the EU glossed over that fundamental divide. Even so, the tension was successfully managed for many years, making EU membership on balance a good enough deal for the UK to tolerate the constraints which it imposed and to keep the country united on our continued membership. The fact that it became unmanageable in 2016 was as much down to political mishandling as to ineluctable historical forces: mistakes such as Tony Blair’s pushing Britain further towards integration than was acceptable to the middle ground of British politics, and David Cameron’s belief that a referendum would draw the poison of Europe which had by then so infected the Conservative Party. And the mistakes of handling were as much on the European side as the British one. I find it hard to believe that Chancellor Kohl and President Mitterrand would have refused Margaret Thatcher an emergency brake on immigration.

37. Margaret Thatcher’s aim was to secure Britain’s essential interests within the European Community while protecting us from outcomes which would have irretrievably jeopardised our nationhood, our parliamentary sovereignty and our right to govern ourselves. She did so in a way which saved us from having to face the choice between staying and leaving, in her time at least. Her successors, both in Britain and in Europe, have been less successful. Both are likely to regret it.