# EUROPE: THE OBLIGATIONS OF LIBERTY

THE WINSTON CHURCHILL

MEMORIAL LECTURE

Fundação Cuidar o Futuro

BY THE PRIME MINISTER,

THE RT HON MARGARET THATCHER MP,

IN LUXEMBOURG

ON 18 OCTOBER 1979

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## Introduction

It is a great honour to have been invited to deliver the 1979 Winston Churchill Memorial Lecture. I feel this the more keenly in that the invitation has led in turn to an invitation from M. Werner to pay my first visit to this country as Prime Minister of the United Kingdom.

The links between our two countries go back a long way. A Northumbrian monk, St. Willibrord, the "apostle of the Frisians", built a famous monastery here in your forests, at Echternach, where he died. For more than six hundred years, ever since the Battle of Crecy, the motto of your most popular mediaeval ruler, John the Blind, has been proudly carried by the heir to the British throne: "Ich Dien". During the last World War your Government, along with the indomitable Grand Duchess Charlotte, were our welcome guests in London. HRH the Grand Duke was educated at one of the best known English public schools and served in a British regiment. So it is not surprising that I always feel at home the moment I arrive in Luxembourg.

I intend this evening to say something about my view of the meaning and obligations of liberty; about how these condition my vision of Europe and of the European Community; and about our present problems. I have chosen liberty because it is a theme closely connected with the name

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Churchill and crucial to my own thinking about politics. I have chosen Europe because I am in Luxembourg, a meeting place of the Council of Ministers and of the European Parliament, the seat of the European Court, and the home of Josef Bech, one of the Founding Fathers of the Community. I have chosen the problems because problems are always with us.

Liberty and tyranny; democracy and absolutism; the tension between rights and obligations, between discipline and licence; these have been constant themes of political debate in Britain since Parliament first challenged the absolute powers of the King. For centuries we British, secure in Shakespeare's "Fortress built by nature for herself", developed our free institutions undisturbed by invasion and but rarely by revolution. Two World Wars ended that splendid isolation. We learned then the meaning of the words of Edmund Burke, among the greatest of British statesmen and orators: "When bad men combine, the good must associate; else they will fall, one by one, an unpitied sacrifice in a contemptible struggle."

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Since 1945 the British and their European neighbours have in truth associated. With the Americans and Canadians they came into an Alliance intended to preserve European liberties against an outside threat. And with one another they have built, through the European Community, a framework for prosperity and for the development of new political links. These two institutions find no parallel in history. Their creation demonstrates at once the continued vitality of the European peoples and their devotion to liberty.

## The Definition of Liberty

The orderly and just conduct of human affairs depends on strong institutions such as the Alliance and the Community. But institutions must be soundly based on principle. The principle at the heart of our European institutions is the principle of liberty.

Modern liberty rests upon three pillars. They are representative democracy; economic freedom; and the rule of law. The foundation for all three is the acceptance by the members of our societies of a sense of common obligation.

Representative democracy goes far to solve the difficult problem of combining the liberties of the subject with the necessary authority of the modern state. If a democratic government does badly, the people can change it. If a democratic leader proves inadequate, he or she can be replaced without bloodshed. If individuals wish to associate peacefully for a common purpose, they may do so. Our democracies have proved themselves able to adapt to change - the immense changes of the twentieth century. They have adapted to universal suffrage, to the technological revolution in communications, to the most dramatic upsurge of prosperity in their history. Real freedom in our countries has everywhere increased - freedom from ancient prejudices and the freedom which comes from ensuring that much tedious or arduous work is today performed by machines and not men.

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Dictatorships have succeeded in doing few if any of these things. Democracy may be less than perfect but, as Churchill forcibly pointed out, all the other systems so far devised by man are much worse.

Representative political institutions cannot alone guarantee our liberties. It is economic liberty that nourishes the enterprise of those whose hard work and imagination ultimately determine the conditions in which we live. It is economic liberty that makes possible a free press. It is economic liberty that has enabled the modern democratic state to provide a decent minimum of welfare for the citizen, while leaving him free to choose when, where, and how he will make his own contribution to the economic life of the country. If the economic life of the country is dominated by the state, few of these things are true.

Since the constitution of the United States of America was written two hundred years ago, there have been few documents of such political significance and originality as the Treaty of Rome. Yet the Treaty, unlike the American constitution, does not deal directly with political liberty at all. It deals only with economic liberty. Those who wrote the Treaty knew that without economic liberty, there could be no true political liberty. The first is a necessary, even if it is not a sufficient, condition for the second. We should never cease to proclaim the superior virtues of systems based on economic liberty.

The third guarantee of liberty is the Rule of Law. The idea that all are equal under the Law is deeply rooted in our democratic systems and nowhere else. Like democracy, it is a difficult, a frigile, and, sadly, an uncommon concept. The thought that no-one in the state can escape the law is, after all, a daring one. Governors and governed, groups and individuals, soldiers, policemen, and civilians, each must bow to a higher principle. This is not a thought which the powerful can easily accept. Those who hold sway in totalitarian states take good care that the Rule of Law does not challenge their authority.

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The Rule of Law can flourish only if it is felt to be part of the moral traditions of a people. It must reflect common ideals, unquestioningly accepted by high and low, rich and poor, weak and powerful. There must be a consensus in its favour. If the law is no longer seen to be fair, people will resent it. If it is no longer seen to be relevant, people will ignore it. If it violates their national traditions, people will turn their back on it. It is not only by the powerful seeking to escape its constraints that the Rule of Law can be challenged. It can be sapped by ordinary people frustrated and hemmed in by the mass of regulation which tries to govern their economic and social life in detail. Too much such regulation passes almost unquestioned through the busy legislatures of the modern state.

If the Rule of Law is to survive, we need to be sure that new laws are understood and accepted by those to whom they must apply. New laws must take proper account of the real needs and interests of our people. If we find a law ill-judged, irrelevant, or outmoded, we should not hesitate to change it by due process. The Rule of Law is strengthened, not weakened, by the timely and flexible adaptation of individual laws to changed circumstances.

I have said that a sense of common obligation is the foundation of all three pillars of liberty. Ultimately, it is the willingness of its citizens to acknowledge a sense of responsibility towards their fellow men that distinguishes a free society from one dominated by licence and anarchy. Love of liberty, in the words of the English critic, William Hazlitt, is the love of others. Free men recognise the limits placed on their freedom by the needs of others. They know that the problems of their neighbours cannot be ignored. Any society or community in which selfishness is unrestrained will finally lose its freedom.

These are simple truths. But they are often overlooked, even by the cleverest people. That is why I have no fear of stating the obvious. As one of the founders of American democracy said, a frequent recurrence to first principles is absolutely necessary to preserve the blessings of liberty.

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## The Challenges to Liberty

If we need a clear view of the principles, we also need to identify the challenges to liberty.

The challenge to democracy comes both from within and without. The workings of the family, the corporation, the state itself, depend on a fine balance between freedom and authority. The struggle to maintain that balance is central to the political life of all our democracies. In Western Europe we have achieved far greater liberty than ever before, and in the most diverse spheres. The penalty of that success has been a loosening of bonds, a sustained criticism of hierarchy, authority, and organisation. Some groups have

deliberately cultivated chaos. They hope to provoke a reaction into illiberalism. This, they believe, will provide the intellectual and emotional basis for an intensified assault on our institutions through subversion and terrorist violence. They must not be allowed to succeed.

There is another, more subtle, threat from within. Even free societies have come to rely too much on central authority. No doubt, in an era of social, economic, and technical upheaval, loyalty to family and neighbourhood would anyway be under pressure. But years of supposing that only governments can undertake great endeavours have weakened our capacity for private initiative and self-reliance. We shirk the hard business of thinking through the moral implications of our actions. Nations of spectators sit back to watch the further decline of their culture on television. We allow our whims to dictate our principles. Men and women once proud to practise what they preached are now too often content to preach what they chance to practise. They would do well to remember that liberty's survival can never be taken for granted: ground held or gained by one generation can easily be lost in the next.

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Faced by these new challenges, our societies must find new ways of solving the old problem of providing liberty within a framework of discipline. On the one hand stands arbitrary rule; on the other licence. To preserve the balance between them requires - as it always has done - imagination, the ability to adapt, and constant vigilance.

Constant vigilance must be our aim too, in meeting the external challenge. At the beginning of this century even the great autocracies of Russia and Austria were moving towards parliamentary government. The dismantling of the European empires after the last war led to the creation of many new democratic states throughout the world. Yet today, despite their evident success in combining liberty and prosperity with the historical traditions of the national state, the democracies are a minority in the world. They

are everywhere opposed by regimes which openly despise our system, and do so forcefully and menacingly.

The challenge to our way of life represented by the Soviet Union is deep-seated. The Russians have equipped themselves with military forces whose capabilities and philosophy are better matched to the demands of an offensive than of a defensive policy and whose ambitions are global in scale. Nor is the Russian challenge only military. It is also political and ideological. The Russians talk loudly, and rightly so, about the need for peace. But they also proclaim the certain demise of the Western system of democracy. They claim the right to promote this end through what they call the ideological struggle. It is scarcely surprising that, since the end of the war, we have had in Europe no more than the "prolonged armed truce" which Maxim Litvinov, the former Soviet Foreign Minister, predicted as early as 1946. That is the true meaning of peaceful co-existence. It is far from clear that, for the Russians, the meaning of detente is any different.

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There is another external challenge, a challenge which is an obligation as well. Despite our current problems, we belong to a wealthy continent. Most people in the world live in poverty and enjoy neither economic nor political liberty. A dangerous gulf separates the rich nations from the poor. It is in no-one's interest to see the divide enlarged. Our own prosperity depends in part on the ability and willingness of others to buy our goods and provide our raw materials. It is sensible, as well as right, to help the people of the Third World to help themselves. We want to see them develop by their own efforts the institutions which will enable them to live in prosperity. The Russians offer tanks and guns, subsidies to their clients, and a narrow and irrelevant ideology. The West gives aid on a far larger and more constructive scale. We teach the culture of new crops; we help to cure disease; we build dams. Look at the figures: where the aid comes from and what it is spent on. They speak for themselves.

But in the long run, the ideas we offer are more important than the aid we give. The end of empire at first led the newly independent countries to look beyond the West for their ideas. It is not surprising that the Russians seized the opportunity to lay responsibility for all the problems of the poorer nations at the door of those whom they call "Western imperialists". Nor is it surprising, given humanity's propensity to blame their woes on others, that Soviet propaganda has met with success. But whatever the short-term temptation, the true interests of the poorer nations do not lie in a close association with the Soviet Union. It is for us to demonstrate this by word and by deed. There can be no non-alignment in the struggle between liberty and tyranny.

The Obligations of Liberty

In the words, once again, of Edmund Burke: "Abstract liberty, like other mere abstractions, is not to be found" It is not enough to rest on the principles which I have outlined. Political leaders and the citizens of our democracies, have the duty to act. Great civilisations are not like human lives. No term is set to them. The preservation of liberty is possible. But it is not assured without deliberate and sustained human effort at every level. In a democracy, people must act as individuals. But they must also act together, within the nation and in the associations of nations to which they have chosen to belong.

The obligations of democratic leaders are clear. They must know what principles they stand for. They must devise policies which implement those principles. They must proclaim both philosophy and policies in a way which is convincing to their electorates. Thereafter they must act - while avoiding the temptation to interfere where government has nothing legitimate to say or do. Only then will the people of a free democracy follow where their leaders wish to go.

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This is not an easy task. The world is submerged in a torrent of conflicting news and opinions, poured out night and day by all the machinery of modern communications. Confused by the proliferation of plausible half truths, people waver between hope and doubt. Their elected leaders must explain, without exaggeration but without complacency, the problems that have to be tackled and the sacrifices that have to be made. If they are successful, their people will follow. If they fail, the people will look elsewhere. It is a heavy responsibility, particularly as we embark on a decade that is fraught with danger.

But in a democracy responsibility falls on the people themselves as heavily as on their leaders. The preservation of liberty depends not only on institutions, not only on the skill, determination and vision of statesmen. It also depends on the willingness of individuals to exert themselves, to risk their fortunes, and to give up time and money for their ideals. "Whatsoever thy hand findeth to do, do it with all thy might", said the author of Ecclesiastes. That injunction is as compelling today as ever in the past.

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The Association of Europe for Liberty

I have spoken so far about the principles of liberty and the obligations of those who wish to sustain liberty within the nation state. But the principles, the obligations, and the need for decision and exertion apply with equal force to the two great international institutions established in Europe in the past thirty years.

East-West Relations and the Defence of Europe

The first of these in time was the Atlantic Alliance. I do not intend tonight to speak at length about the Alliance or about the issues of relations between Europe and North America and between East and West. These are themes which demand a speech to themselves. I plan to

return to them before long. But they are themes that were close to the heart of Winston Churchill. They are no less critical for Europe's future now than in his day.

Liberty cannot exist without security from outside attack. The days when European countries could defend themselves alone passed away with two world wars in which the intervention of the United States was decisive. This truth was recognised on both sides of the Atlantic when it became clear in 1946 that the threat to Europe's liberty had not ceased with the defeat of Nazism. Over thirty years have passed. Europe enjoys a stability and prosperity which would have seemed unimaginable when NATO was founded. But the threat remains. It is symbolised by the massive armies ranged by the Russians against us in the East, and by the stream of propaganda which they continue to direct against our institutions and aspirations.

Let me be clear. The Soviet armies in Europe are organised and trained for attack. Their military strength is growing. The Russians do not publish their intentions. So we must judge them by their military capabilities. I doubt whether any Russian leader would easily contemplate a repetition of the immense sufferings through which his country went less than forty years ago. But it is up to us to ensure that there is no doubt in his mind that this - and worse - would now be the price of any Soviet adventure. That is what we mean when we talk of maintaining the credibility of our defensive forces.

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To do this is well within our economic and technical capacity. Our economies are incomparably more prosperous, more productive, more sophisticated and more flexible than the economy of the Soviet Union. The Alliance can maintain its defences without undue burden. And we have other, less tangible assets. The peoples of Europe decided of their own will to enter the Western alliance. Unlike the members of the Warsaw Pact, they are consulted about the part defence should play in their national affairs. What they

give, they give willingly, however much they grumble. And they will give more, if they believe the need is there.

We therefore face an issue of political will. There is no need to match the sacrifices demanded of the Russian people. But can we match the resolve shown down the years by their leaders? Happily the Alliance is bestirring itself. The facts are becoming more widely acknowledged. NATO countries have agreed on a target of annual increases of 3 per cent in defence expenditure. We British are prepared to meet that challenge. We look to our allies to do likewise.

And new decisions are necessary. These decisions, which can be taken within the framework of the proposed SALT II treaty, are needed to preserve the credibility of the West's nuclear deterrent. Because of their fearsome implications, as well as their expense, nuclear weapons raise issues of particular difficulty for democratic governments. But in the conditions of Europe today the need for the instruments of deterrence is inescapable. This is why the British Government are already taking steps to ensure that our Polaris force will remain effective into the 1990s. It is why we intend to ensure that our strategic deterrent, which is also the uniquely European contribution to NATO's deterrent, remains effective for a long time thereafter. We shall take the necessary decisions within the next few months.

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Britain's submarines are part of the West's strategic strength. But the subtle play of pressures which make up the complicated notion of deterrence depends on there being no gap for exploitation by the other side at any level. The Soviet Government have introduced formidable new weapons: the SS 20 missile and the Backfire bomber. NATO's equivalent weapons are few in number and becoming obsolete. The Russians already enjoy an advantage. Unless we deploy more modern weapons soon things will get worse. This might tempt the Soviet leaders to think they could exercise

political pressure on Europe. Such a situation cannot be allowed to arise. I know that some members of the Alliance will not find it easy to take the necessary decisions about modernising our nuclear forces. I note Mr. Brezhnev's willingness to withdraw some tanks and troops from East Germany and the conditions he attached to his statement on nuclear weapons. What he said must not divert us from our intention. Our sense of common purpose must prevail. The British Government will play its part to the full.

The restoration of a military balance in Europe is not an end in itself. It is the necessary condition for the development of relations between East and West. We may not like the regimes under which the countries of Eastern Europe live. But we neither can nor should ignore the many peoples who in the past have been bound to us by common traditions. They are no less Europeans in spirit than are we ourselves. We should therefore pursue a realistic dialogue with the Soviet Union and the nations of Eastern Europe. Of course the relationship cannot be easy. The Communist governments claim the right to pursue the ideological struggle. We will continue to proclaim our belief in the democratic system; the nervousness which Soviet leaders betray at the thought of "ideological contamination" by the West is a tribute to that system.

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We must build on our interests where these coincide with those of the East. We must try to limit the consequences where our interests conflict. To discover where the prospect of agreement, or the risk of conflict, lies, we need contacts with the Communist countries at all levels, from the highest to the most humble. Ordinary people should meet - as tourists, as journalists, as teachers, as businessmen, as men of science and the arts. The statesmen of both sides should meet to explain their policies. All this can only help the atmosphere for actual negotiation on the issues of trade, disarmament, arms control, and world affairs which will determine the issue of peace and war itself.

The European Community

Over the years, the Alliance has proved an invaluable meeting place where the Atlantic nations could discuss their problems and affirm their purposes. But the function of the Alliance is to hold a common line against a common threat. Its problems are those of keeping in good repair a machine which we hope will never have to be used.

The intention of the founders of the European Community was quite different. They had in mind a dynamic and evolving organisation that would bring together the peoples of Europe. Its membership was not to be limited to the small number of European countries who were present at its creation. The Community was deliberately left open to all those countries that shared the basic political and economic aspirations of the Treaty, whatever the structure of their economies or the nature of their historical experience. The Treaty refers to unity in Europe but its originators wisely refrained from defining the concept further. They knew that they were launching Europe on a daring political experiment. They were not so arrogant as to attempt to dictate the ultimate shape of their creation.

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The Founding Fathers would not have been so foolish as to expect that the Community would result in a withering away of the historical traditions and the idiosyncracies which have been the glory of Europe's nation states. The experience of the Community, even when it had six members, has been quite different. The Community of Six, and now the Community of Nine, has not submerged the smaller countries of Europe. It has, if anything, given them a larger and more distinctive role. Luxembourg is the seat of some of the Community's most important institutions. Ireland currently presides over the Council of Ministers. Grey uniformity is far from being the guiding principle of the Community. And the life of the Community will become richer and still more varied when it

is joined by the new democracies of Greece, Portugal and Spain. I look forward to their entry.

The basic principle of the Community must be liberty - liberty reinforced as it is within our countries, by representative institutions, economic freedom, the Rule of Law, and a sense of common obligation. All these find their reflection in the Treaty of Rome, and in the practice of the Community. Each may come under strain as the Community develops, but each must be safeguarded.

It is for the representative institutions of the Community to guide these developments and to relieve these strains.

National governments must, and will, continue to exercise their responsibilities towards their own electorates. They can and do defend the interests of their electorates in the Council of Ministers of the Community. Certainly no-one need expect me or my colleagues to be backward in defence of Britain's interests. The often arduous debates in the Council reflect the varied wishes of the peoples of Europe. The newly elected European Parliament should also reflect the differing views of Europe's voters. National legislatures will wish to retain their sovereign prerogatives but the European Parliament can enrich the political life of the Community, and make a full contribution to its development. I look to it, in particular, to diminish any feeling among our peoples that the Community is a remote and uncaring force.

At the basis of the Community's economic arrangements lies the principle of economic freedom. By this I mean the market economy, the free movement of capital, goods and people - all within a framework of just laws. The Community has successfully abolished tariffs and quotas on trade among its members. The Community has also, I know, tried to tackle the multiplicity of regulations, national standards, and so on which serve as obstacles to trade.

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In theory I applaud this aim. But in practice the operation has frequently gone astray. Too often the Community's own officials have failed to explain what they are doing. Too often they have gone beyond the simple removal of trade barriers to intervene where no official intervention is needed. Unnecessary standardisation sits ill with liberty.

In my own country, at least, some of the Community's activities have given rise to resentment and irritation. People are anxious that bureaucracy in Brussels, added to bureaucracy at home, is acting against their true interests. All bureaucracies have a fatal tendency to grow unless they are regularly pruned. The reputation of the Community depends on sound administration and on running a lean and efficient machine. In the Community, as at home, less government is good government.

This does not diminish the role of the Community. On the contrary, there is much for the Community to do as the opponent of unnecessary restraints on our economic liberty. Travel between our countries would be encouraged by improved transport links across Europe and by cheaper air fares. New opportunities will open up for skilled and professional people when we have agreed on qualifications that will enable them to work anywhere in the Community. In this way the Community could give tangible evidence of the benefit it brings to all our people.

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The Rule of Law permeates the whole of the Rome Treaty, the balance of the Community's institutions and the role of the European Court. In various manifestations it is central to all our democratic and historical traditions. Many of the Community's member states have written Constitutions, legal codes, and all the panoply of Roman law. But we in Britain, where I was trained as a lawyer, have no written Code or Constitution. We attach great importance to custom and precedent, in law as in our daily lives. We see no advantage in change for its own sake. But when change is inevitable we can respond flexibly and in time, untrammelled by the written word when it has become obsolete. This

different tradition is something we bring to enrich the Community not to weaken it.

The final principle on which the Community is based is that of common obligation. The word "Community" implies that each member country has equal rights and equal duties. No one member can seek to dominate another. No one member can seek a lasting advantage at the expense of another. No one member can be left to nurse a grievance apart. Each member must have a feeling of wellbeing in the Community. States, like individuals, must be conscious of their duty to contribute to - as well as profit from - the greater whole. On this sense of balance and fair play the health and ultimately the existence of the Community depends.

These are the four principles which buttress liberty within the Community. I am confident that they are recognised by the other members of the Community. It is for that reason that I am here tonight to confirm my own and the British Government's whole-hearted commitment to the success of the Community. Britain may until recently have seemed to be out of step with the Community. That is no longer so.

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There are plenty of material reasons why it is natural for Britain to be a member of the Community. Together, the members of the Community account for one-quarter of the world's trade. By comparison, the United States accounts for one-sixth and the Soviet Union for one-fortieth. The Community is a market of a quarter of a billion people. It ought to be as great a source of economic strength to the West as is the United States. It ought to provide for its members vital support in coping with social, economic, and financial problems both during what I have called the dangerous decade and beyond. These problems, like those of military security, have long since passed the point at which any European state could hope to cope on its own. The Community ought - for it cannot afford to be introspective - to help to resolve the problems of the

developing nations with which our history links us so closely. Fortified by its existing commercial and development policies, it ought, through the machinery of political co-operation, to speak more effectively with one voice on the great issues of world affairs.

Britain in any case could not have stood aside from a voluntary association designed to express the principles of Western democracy with a strength appropriate to the challenges of the world today. Nor could any enterprise properly lay claim to the proud name of Europe that did not include Britain. Our size, our contribution to the history, arts and civilisation of Europe would make that impossible.

It took the British the whole of the 1950s to realise these simple truths. It took the Six the whole of the 1960s to respond. It is not surprising that doubts and worries persisted in the 1970s as Britain adjusted to membership - and as the Community adjusted to the presence of one of the greatest of Europe's nation states.

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Current Issues

The process is unfinished. Britain has readjusted the pattern of her trade more rapidly than any other member state over the last seven years. She has met all her obligations under the Common Agricultural Policy. In so doing she has given great material opportunities to the farmers and industrialists of her partners. But for Britain the tangible benefits have been more limited.

The bargain remains unequal. Some of the Community's policies bear on Britain with manifest inequity. Because of the way the Community budget operates, Britain will next year be making a net contribution to the budget of over £1,000 million. This is much more than any other member will pay. Yet only two of the other eight Members

of the Community are less prosperous than we are: both will next year be net beneficiaries from the budget.

These facts have been starkly confirmed by the European Commission. Some will say that the sum is not so very large - though that view tends to change when others fear they may be asked to bear a share. It is a heavy burden on Britain: it threatens to absorb between 30 per cent and 50 per cent of each year's increase in our national wealth in the period immediately ahead. And the burden will grow inexorably if nothing is done. Some will say that the Commission's calculation ignores the beneficial effects of other Community policies. But these effects cannot be quantified. And others benefit as much as we do. Some will say that we import too much from outside the Community. But I do not see how we could have moved more rapidly, nor what more could reasonably be expected of us.

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This is not a new problem. Indeed, during the British accession negotiations in 1970 the Community recognised that if "unacceptable situations" arose on our budget contributions - and I quote, "the very survival of the Community would demand that the institutions find equitable solutions". None of the things which the Community then hoped would diminish the problem have happened. Indeed, the problem is now far worse than people envisaged in 1970.

I must be absolutely clear about this. Britain cannot accept the present situation on the Budget. It is demonstrably unjust. It is politically indefensible: I cannot play Sister Bountiful to the Community while my own electorate are being asked to forego improvements in the fields of health, education, welfare and the rest. The imbalance is not compatible with the spirit of the Community. Its continuation would undermine the sense of solidarity and common obligation which lies at the basis of Community endeavour. We seek a remedy which will restore a broad

balance, and which will last as long as, but no longer than the problem. I believe that the other Members of the Community recognise the need for a solution. Ideas are being considered. We look for decisions at the European Council next month and no later.

A longer term but deeply worrying problem is the cost of the Common Agricultural Policy. Over seventy per cent of the cost of the Budget goes in paying for the CAP. Enormous sums of money are wasted in storing unwanted agricultural produce and subsidising its sale to other countries. It is not easy to explain to a housewife why she should help sell butter to the Russians at a fraction of the price she pays herself.

Britain fully accepts the importance of the CAP as one of the Community's central policies. But the CAP cannot go on as it is going at present. I therefore welcome the growing determination of other Community governments to cut wasteful expenditure on agricultural surpluses. The Community Budget will soon approach its ceiling. The British Government does not intend to see that ceiling raised. Nor, I believe, do other Governments. Expenditure on the CAP must therefore be curtailed and the policy itself reformed. Members have no obligation to maintain unchanged a policy, however important, whose financing has got out of hand. On the contrary, it is our duty to correct the situation. Wasteful surpluses must disappear. Policies are made to meet circumstances. They must change as the circumstances change. The reform of the CAP can only strengthen the Community.

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So will the achievement of agreement on a Common Fisheries Policy. We recognise, and share, the wish of our partners to bring the discussions on a Common Fisheries Policy to a conclusion. I believe that a mutually beneficial agreement is possible. But our partners must recognise that properly enforced conservation rules are vital. The consequences of earlier over-

fishing in Europe's coastal waters are only too obvious. Good management of fish stocks is, after all, a common interest: we cannot have a Common Fisheries Policy if there are no fish.

What of the other issues preoccupying the Community as we enter the dangerous decade? We must jointly develop a response to the energy crisis. Europe, while ill supplied with oil, is fortunate in the abundance of her coal. Let us find ways to make better use of it: the British Government have put forward proposals. We must make a greater effort to develop our collaboration on civil nuclear research and development. I know that there are grave doubts in Luxembourg about the civil use of nuclear power. But my own country's experience has been reassuring. Through the pooling of our knowledge and expertise, ever safer techniques can be developed and fears dispelled. Greater use of nuclear energy is bound to be a key factor in dealing with our energy shortage.

Britain is fortunate in the possession of North Sea oil. While its role may not be decisive it will be of great assistance to us in restoring our economy. We do the Community no disservice in using it to that end. But we are mindful of our obligations to the other members of the Community who already buy large quantities of British crude oil. We made clear, too, our constructive approach on these matters during last month's discussions of national oil import targets.

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Conclusion

These, then, are some of the challenges and opportunities which face Europe. But in the final analysis it is the purposes, not the details, which matter. The Community is not solely - or even primarily - an affair of budgets and butter mountains; of tachographs and wine lakes. It far transcends these matters. It is a noble concept embodying the ideals of liberty and destined to give new strength to that ideal.

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