

Address given by Neil Kinnock (Wales, 28 April 1989)

Caption: On 28 April 1989, Neil Kinnock, Leader of the Labour Party, criticises the European policy of Margaret Thatcher, British Prime Minister, who does not hesitate to attack Jacques Delors, President of the European Commission.

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[...]

And the most important act of contrition that Mrs Thatcher and Nigel Lawson and Lord Young could do is to recognise that other Governments consider it their duty to be allies of their industrial producers. Other Governments actively commit themselves to policies that promote productiveness and competitiveness and employment in the modern world.

The British Government must do the same if British producers and British people are to get a fair chance in the Single Market.

The final form of that Market is not yet set.

It is not yet determined, even at this late stage, whether the Single Market will degenerate into Thatcherism on a European scale — handing the future of Europe over to the market-place — or whether it will be a social Europe, a Europe in which the market works for the people not the other way around.

Our partners in the EC have never had the Thatcherite faith in markets.

They know that long-term competition requires that the market is managed, and they know that economic success is built on consensus not on conflict.

They know that the new Europe of the Single Market will only command the political support throughout Europe that it needs to succeed if its fruits are efficiently produced and fairly distributed. That is the general consensus even amongst European conservatives and market interests.

And rebuffed by the logic of the argument for a social Europe as part of the Single Market, Margaret Thatcher has decided to turn sour.

She declares that she will defend Britain against what she calls the encroachments of European socialism.

When the European Commissioner for Industrial Affairs, the West German Martin Bangemann, proposes EC legislation which would give workers the right to participate on company boards, Lord Young denounces it, saying that it would “curb competition, destroy jobs, and enhance trade union power.”

This is the same Lord Young who just a year ago admitted that in Britain “the level of productivity remains, on average, about one-third to one-half lower than our competitors’. ... The training and skills of managers and other employees are low compared with principal competitors”.

Obviously he knows a fair amount about lost competitiveness and destroyed jobs. But he doesn't seem to have noticed that Germany, one of the most powerful of those “principal competitors” has had workers sitting on company boards for the past forty years.

On monetary affairs, Mrs Thatcher sends her Governor of the Bank of England to participate in a working party on future monetary arrangements in Europe. A report is produced which he signs. The poor man is then promptly disowned by the Prime Minister and the Chancellor of the Exchequer. All in the name of what they call “sovereignty”.

Now sovereignty — self power, real autonomy and independence — is a fine thing.

For a democratic Government that wants to serve its people it is a vital thing.

For a democratic Government that wants to protect the essential and necessarily particular interests of its people, sovereignty is a useful and necessary implement.

But we have to ask whether that is the sort of sovereignty Mrs Thatcher has in mind?

Her passion for it is a little late in showing itself anyway when it is she, after all, who whipped the Single European Act through Parliament on a guillotine.

Now, when that Act is in place and the completion of the Single Market is just three years away, Mrs Thatcher's reluctance to operate that which she legislated is looking less like concern for sovereignty and more like perfidy. Dodginess. Treachery, as the dictionary defines it.

And we have to ask too what Mrs Thatcher's idea of sovereignty amounts to?

It's very difficult for her to claim that she's kept "sovereignty" when at the same time she has happily handed the future of Britain and the British people over to an uncontrolled market.

She has abolished exchange controls and deregulated money markets so that Britain no longer has either the scope to pursue an independent monetary policy or — as she admitted herself — the strength to join the EMS.

"Sovereignty" is hardly the word to describe the condition in which Britain has to pay the highest interest rates in the industrialised world in order to get financiers to fund the huge balance of payments deficit.

It's hardly the word, either, to describe the situation in which if those lenders start to pull out, those high interest rates will have to go up further in order to hold the currency.

Some "sovereignty" that. About as much sovereignty indeed, as Hans Anderson's vain Emperor had clothes.

All countries are of course proud of their sovereignty. Governments are necessarily jealous of it.

But what other countries in Europe are not doing is confusing sovereignty with vanity.

And it isn't because they are models of humility. That's not a characteristic you'd associate with the French or the German Governments for instance. It's because they recognise the realities of modern life — one of the chief of which is the power that is wielded and will be wielded by great multinational corporations and finance in Europe and from Europe and Japan and America and elsewhere in this changing world.

Other Governments realise that faced with that fact it is necessary to co-operate, to apply common rules, to achieve and implement common standards and safeguards, common rights and regulations.

They recognise that it is necessary to do that rather than to succumb to the dominion of transnational corporate interests.

They realise that they must co-operate and co-ordinate to ensure that the economic sovereignty of corporations does not compromise or overwhelm the necessary sovereignty of nations.

Co-operation is necessary for all that in the European Community of the Single Market.

Mrs Thatcher says it's "socialism".

I wouldn't say it was anything so elevated or enlightened.

I'd just say — together with rational socialists and realistic conservatives across the European Community — that such cooperation to retain the substance of sovereignty rather than its superficial trappings is just plain common sense.

I'd just say that there are democratic powers that must be retained in Britain and in other countries to sustain basic and distinctive interests that relate directly to the needs and nature of the different countries. And that at the same time there are common and convergent interests of the whole Community that are best safeguarded and advanced by acting in concert like a Community.

If we are to get a square deal or even a fair change in the Single Market we need a Government in Britain that is capable of making those distinctions. We need a Government in Britain that will participate in the development of Europe, that will play a direct influential role in fashioning the institutions and relationships of the Market within which our economy must work in order to prosper.

Mrs Thatcher's failure to accept co-operation and to exert Britain's sovereignty in a positive way is creating the threat of a two-tier Europe, with Britain firmly stuck in the second rank — passed by Italy in the 1980s, likely to be passed by Spain in the 1990s.

We cannot afford that. We mustn't afford it.

Not because of nationalism or vanity but because a second speed Britain will not generate the wealth which is essential to sustain and enhance the prosperity and to expand the justice and freedom of the British people.

A second rank Britain will not provide the education and training that our people need to make them confident and cultured and competent and in control of their own destinies.

A second rank Britain won't sustain the improved Health Service that we need and it won't permit the quality of life that must be gained if we are to be a society which creates opportunities for all its people and a decent future for all its children.

That's why we need economic strength.