

## 'Nigel Lawson's speech — (1) Foot on the brakes' from Europe (31 January 1989)

**Caption:** In his editorial of 31 January 1989, Emanuele Gazzo, Director of Agence Europe in Brussels, criticises the position taken by the United Kingdom with regard to the proposed Economic and Monetary Union (EMU) and reproaches the British Government for creating a rift between itself and its European partners.

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## Nigel Lawson's speech (1) — Foot on the brakes

The speech made by the Chancellor of the Exchequer Nigel Lawson (cf EUROPE of 27/1, p. 7) may well be the breaking point in relations between the UK and its partners on the future of the European Commission in general, the specific and major pretext this time being the plan for economic and monetary union.

This would be no surprise. After the Rhodes Summit, when we turned to comment on the brief (and somewhat anodyne) passage dedicated to economic and monetary union, we said that (see Editorial of 9/12/88) "with its institutional implications, the monetary debate will hold centre stage over the coming months". The speed with which the Commission replied to Mr. Lawson is highly significant. At the meeting of Finance Ministers on 19 May in Gerona and the Madrid European Council on June 26 and 27, each country will show its hand (unless the UK decides to disassociate itself with the work carried out by the Delors Committee at an earlier date, in what would be a fairly dramatic move).

However the monetary debate must be considered along with the more general statements made by Mrs Thatcher in her interview with the BBC on 23/7 (see our Editorials of 5 to 9 September), and with her Bruges speech of 20 September (Editorial of 21/9). Up until a short while ago we were able to talk in terms of "understatement" of a mere misunderstanding that would be cleared up with the help of a frank and open debate. This was the case in spite of the hard line adopted by Thatcher, as she excluded all possibilities of "pooling" sovereignty, with her Manichaeism, dividing Europeans into pragmatists and visionaries, her distrust for the European institutions, whom she accuses of being irresponsible bureaucrats. We hoped at the time that her statements would throw open a debate which would result, at the Rhodes Summit, in a frank confrontation of ideas between the Twelve Heads of State or Government, which would be particularly needed following the decisions made by the Hanover Summit and the Commission's mid-term review of progress being made on the path towards the 1992 deadline. One thing that needed to be avoided at all costs was to give the UK the chance of saying that its partners were advancing "by stealth" on the path towards solutions of a Federal type, which the UK refuses out of hand.

In reality, and with different aspects being stressed (the first to act was Belgian PM Martens on 29 September), all of the Heads of State and Government of the other Member States confirmed their commitment to realising European Union, saying that this was not a "vague notion", but rather that it represents the political and institutional dimension of the European space. Furthermore, Christian Democrat leaders of the Member States, meeting in Brussels on 19 October as part of the European People's party, adopted the guidelines for a programme of action for the European elections, wherein it is quite clearly stated that the main task of the next EP will be to transform the Community into a European Union, to reform the institutional system in accordance with the 1984 Spinelli project and to gradually achieve the United States of Europe.

In this somewhat overheated climate, the Head of the Foreign Office, Sir Geoffrey Howe asked his colleagues that, in drawing up the programme for the Rhodes Summit, they would strive to avoid major issues, by having a low profile agenda, so as to cool rather than to enflame the differences over European developments which emerged after Bruges. However the relaxed atmosphere in Rhodes did not prevent the European Council from saying that it attached great importance to the work undertaken, at its request, by the Delors Committee, on the steps which will lead to European Economic and Monetary Union and to the conclusions which will be drawn from this at the Madrid Council. In his investiture speech to the EP, Mr. Delors gave several supplementary indications on the progress to date in this sector. There were a sufficient amount to cause a reaction, and this was outlined in an article by Ronald Butt in the Times of 19 January, called "Conspiracy of Silence". Someone had to slam their foot down on the brakes before it became too late. Mr. Lawson did this, leaving us in no doubt as to London's intentions.

To be continued

Emanuele Gazzo