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10 DOWNING STREET

THE PRIME MINISTER

3 May 1980

Dear John,

You sent my Private Secretary on 16 April a letter from your constituent, Mr. Garrett, complaining about continuing membership of the European Community.

The Government are in no doubt of the value of British membership of the Community.

Certainly there are some problems. Much the most important is, of course, the unacceptable position that has arisen on UK net budget contributions. But there can be absolutely no doubt about the Government's determination to secure an equitable and durable settlement of this, in agreement with our European partners. On this we have had two hard rounds of negotiation at the European Council meetings in Dublin and Luxembourg: I propose to pursue our objective vigorously over the next few weeks.

We are also working actively to secure a modified Common Fisheries Policy, mentioned by your constituent, and have already made useful progress with agreement on total catches allowable in the waters of Britain and other Member States.

There is no question of 'handing over oil on a plate' as suggested by your constituent. The Community has recognised and clearly stated on a number of occasions that decisions on

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the development and exploitation of our North Sea oil and gas resources are solely for the UK Government to take. The oil which is sold to our partners is sold at the commercial rate. North Sea oil, as a light crude, does not yield all the products we require; its export therefore enables us to import cheaper, heavier crude for our refineries.

Although there are problems to be settled - and in an evolving Community there are bound to have to be continuing negotiations - the political case for our membership is stronger than ever. The Community, which in the first half of the century was the scene of two world wars, is now an area of peace and co-operation in a volatile and dangerous world. Increasingly the Community is playing a coherent and stabilising role on major world problems. We demonstrated this at Luxembourg with our agreement on Iran and Afghanistan. It is essential that Britain should take a strong and active part in this process and not simply stand on the sidelines. We are of far more value to our friends in the Commonwealth, in the United States and elsewhere as a member of the Community than we were outside it.

Economically, the Community offers Britain broad opportunities not available to us elsewhere: a home market of 250 million people; great strength in international economic negotiations. These complement our efforts to put our own house in order, to regenerate British industry and revitalise the British economy.

Generally, we have repeatedly made it clear that we believe Britain can make a success of Community membership. We cannot blame the Community for problems which arise for other reasons, such as changing conditions in the world economy and the failure



of parts of our economy to adjust and to become more competitive. We must instead ensure that we are in a position to benefit from what it has to offer.

Yours sincerely

Raymond D. White

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John Wheeler, Esq., J.P., M.P.