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10 DOWNING STREET

THE PRIME MINISTER

3 January 1980

Dear Tullian,

Thank you for sending me the letter you had received from Mr. Bartlett, the Honorary Secretary of the Harwich Chamber of Trade and Commerce.

The Government feel strongly that membership of the EEC offers the best prospects for us. We are determined to make a success of it, reaching solutions on the negative aspects - notably the problem of the high net contribution to the budget - and working positively for EEC policies which are of a real benefit to Britain.

Our net contribution is expected to be something over £1,000 million in 1980. As you know, the problem was discussed at great length during the recent Dublin Summit. We are determined to reach a lasting and satisfactory solution and a number of ideas are now being examined in preparation for the next European Council in early 1980. I attach a copy of my recent statement to Parliament which you may like to forward to Mr. Bartlett.

Economically, our membership of the Community offers Britain great opportunities, provided our industry will rise to the challenge. Already about 40 per cent of our exports go to other EEC countries compared with only 25 per cent before we joined. The Community is a very powerful economic force in the world.

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It would be a mistake to assume, as Mr. Bartlett has done, that trade agreements with the Commonwealth or the United States of America would simply spring back to life in the very different economic conditions of today if we left the Community. But we want to strengthen links between the Community and Commonwealth countries, and ensure that the latter's interests are not overlooked. It is for this reason that we have taken a leading role in promoting agreements such as the Lomé Convention and those between the EEC and Commonwealth countries in Asia. As you know, we have made it clear that New Zealand must receive a fair deal from the Community for its exports of lamb and butter.

You may also like to point out the very strong political arguments for belonging to the Community. For centuries our countries fought each other. On two occasions quarrels between the countries of Europe became world wars, in which more than 40 million people died. It was vital to build a Community in Europe to prevent that happening again. If we work together in world affairs we can be a powerful and constructive political force.

Yours

Raymond
