

**PRIME MINISTER'S
PERSONAL MESSAGE**

*Subject filed
on European Policy
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FM FCO 021600Z JULY 82
TO IMMEDIATE BONN
TELEGRAM NUMBER 324 OF 2 JULY 1982
AND IMMEDIATE TO UKREP BRUSSELS
NORTHERN IRELAND HOUSING REGULATION
1. PLEASE DELIVER THE FOLLOWING MESSAGE FROM THE PRIME
MINISTER TO CHANCELLOR SCHMIDT:-
BEGINS

HAD WE HAD MORE TIME WHEN WE MET RECENTLY IN THE MARGINS OF THE EUROPEAN COUNCIL, THERE IS ONE MATTER WHICH I WOULD HAVE WISHED TO RAISE WITH YOU. THIS IS THE QUESTION OF THE DRAFT NORTHERN IRELAND HOUSING REGULATION TO WHICH I UNDERSTAND YOUR GOVERNMENT HAS SO FAR BEEN UNABLE TO AGREE. THE DRAFT REGULATION IS AN INITIATIVE OF THE COMMISSION, ACTING ON A RESOLUTION OF THE EUROPEAN PARLIAMENT. IT HAS BEEN UNDER DISCUSSION IN BRUSSELS FOR SOME TIME, AND IS NOW SUPPORTED BY NINE MEMBER STATES.

I ATTACH VERY CONSIDERABLE IMPORTANCE TO THIS DRAFT REGULATION - FOR BOTH POLITICAL AND ECONOMIC REASONS. THE AMOUNT OF MONEY INVOLVED IS NOT LARGE, BUT IT WILL MAKE A CONSIDERABLE CONTRIBUTION TO INCREASING THE BADLY NEEDED HOUSE BUILDING PROGRAMME IN NORTHERN IRELAND: IT WILL ALLEVIATE THE MISERY OF HUNDREDS OF FAMILIES, FROM BOTH PROTESTANT AND CATHOLIC COMMUNITIES IN BELFAST, AND WILL HELP TO SUPPORT THE EFFORTS WHICH WE AND THE COMMUNITY ARE MAKING TO REGENERATE THE NORTHERN IRELAND ECONOMY. THE POLITICAL IMPORTANCE OF THE DRAFT REGULATION ALSO AFFECTS BOTH SIDES OF THE NORTHERN IRELAND COMMUNITY, CATHOLICS AND PROTESTANTS ALIKE HAVE BEEN NOTABLY SCEPTICAL ABOUT THE BENEFITS OF COMMUNITY MEMBERSHIP AND DIRECT COMMUNITY ASSISTANCE ON SUCH A PERSONAL MATTER AS HOUSING WILL ENCOURAGE MUCH MORE

POSITIVE ATTITUDES TOWARDS THE COMMUNITY. THE REGULATION HAS BEEN KEENLY ANTICIPATED IN NORTHERN IRELAND AND FAILURE TO IMPLEMENT IT WILL BE POLITICALLY DAMAGING TO THE COMMUNITY AND, I BELIEVE, TO BOTH OUR GOVERNMENTS.

I APPRECIATE YOUR GOVERNMENT'S CONCERN THAT THE REGULATION COULD SET A PRECEDENT FOR COMMUNITY'S ASSISTANCE FOR HOUSING: I AM CONVINCED THAT THE REGULATION NEED NOT HAVE THIS RESULT, AND I NOTE THAT THE OTHER MEMBER STATES APPEAR TO BE WILLING TO SUPPORT THE INSERTION OF A SUITABLE DISCLAIMER IN THE COUNCIL MINUTES. DESPITE THIS I UNDERSTAND YOUR GOVERNMENT REMAINS ANXIOUS, AND I KNOW THAT YOU HAVE PUT FORWARD SUGGESTIONS FOR OTHER WAYS OF GIVING ASSISTANCE TO NORTHERN IRELAND. WE HAVE OURSELVES TRIED TO CONSIDER WHAT ALTERNATIVE APPROACHES MIGHT BE ADOPTED BUT WE HAVE NOT SO FAR BEEN ABLE TO IDENTIFY ANY REALISTIC ALTERNATIVE THAT WOULD ATTACK THE PROBLEM OF HOUSING CONDITIONS AND MAKE SUCH DIRECT IMPACT ON PEOPLE IN NORTHERN IRELAND.

THE EXCEPTIONAL SITUATION IN NORTHERN IRELAND REQUIRES AN EXCEPTIONAL RESPONSE FROM THE COMMUNITY AND I SEE THIS DRAFT REGULATION IN THAT LIGHT. I DO HOPE YOUR GOVERNMENT WILL FEEL ABLE TO RECONSIDER THEIR POSITION AND ALLOW THE REGULATION TO BE AGREED.

ENDS

PYM

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ECD(I)

RID

MR HANNAY

COPIES TO

MR BURNS

MR WILKINSON

MR HANCOCK

MR LAMBERT

MR COLES

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CAB OFF

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