

PERSONAL AND CONFIDENTIAL

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Foreign and Commonwealth Office

London SW1A 2AH

28 February 1983

From The Minister of State

Rt Hon Douglas Hurd CBE MP

- 1. cc Mr Ridley
- 2. canceller

SHL

Dear Geoffrey,

Francis Pym has asked me in his absence to thank you for your letter of 8 February and to enclose the first draft of a passage for the manifesto on foreign affairs.

I also enclose a draft on arms control and disarmament which could most neatly be fitted into the defence section of the manifesto which no doubt Michael Heseltine is producing.

There are indeed, as you thought likely, a number of subjects which we will need to cover in the manifesto but on which precise wording can only be settled later. These include cruise missiles and the progress in the arms control talks, and the EC budget.

Conery

Doyler

There is room for pruning as necessary when you see the size of the whole text.

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Rt Hon Sir Geoffrey Howe QC MP
House of Commons
London, SW1A 0AA

FOREIGN & COMMONWEALTH

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THE EUROPEAN COMMUNITY

The Conservative Government inherited a situation in which the opportunities presented by our membership of the European Community had been squandered by a Labour Government more concerned with papering over its own internal divisions than with furthering Britain's interests. We came to office determined to make a success of British membership, to fight our corner vigorously, but also to work with other member countries in the constructive development of the Community. This we have done. We have made significant progress in improving the Community's operation and Britain's position within it.

As a result of the Government's determination, our net contribution to the Community Budget has been substantially reduced, following its rapid expansion under Labour. At the same time, we have set in train a significant reordering of the Community's expenditure priorities so that more resources can be made available for regional aid and employment and training measures. We continue to believe that, in the longer-term, the present temporary arrangements for giving rebates to Britain should be replaced by a comprehensive mechanism which ensures that there is a fairer redistribution of resources through the Budget. Until that is in place we shall continue to press for interim measures to safeguard our own British position.

The difficult process of reforming the Common Agricultural Policy must continue. Already the level of surpluses is lower; better management has substantially cut its cost and the proportion of Community spending on agriculture now coming to Britain has almost doubled. There is a long way still to go. Just as tough negotiations have finally secured a common fisheries policy, which protects the interests of British fishermen, so we will continue to seek a better balance of Community policies in other areas.

We would support a stronger Community involvement in areas where it makes sense for the Community rather than individual nations to lead. The Community is of great importance to industry seeking new markets and closer commercial cooperation.

We shall oppose petty acts of interference, but the free movement of goods and services between member states is in the interests of Britain. We shall continue to work to remove the remaining restrictions on the movement of goods and services inside Europe.

Already the Community is a more united and coherent force in world affairs. This has been one of the Conservative Government's main aims. In this dangerous world, it is essential that Britain and our partners which have, on the most important issues, a close identity of interests should work together wherever possible to our mutual benefit.

The Labour Party argues for withdrawal from the Community because it would then be easier to build a Marxist state in Britain. Withdrawal would mean chaos for some of our industries and uncertainty for all. It would place in jeopardy hundreds of thousands of jobs; for we would lose the very real export advantages in Europe which we now enjoy, and the attraction for overseas investment which membership give us. Our influence in the world would be diminished, and only the Soviet Union and her allies would rejoice.

It would put us at odds not only with our European partners but with most of our main overseas customers. By playing a full role within the Community, we can shape its policies and promote its development in a way which furthers Britain's interests.

OUR WIDER RESPONSIBILITIES

We will continue to honour our commitments overseas, as the Conservative Government has clearly shown in its approach to securing a lasting settlement and independence for Zimbabwe, and in its determination to resist unprovoked aggression in the Falkland Islands. We will fully respect the wishes of the people of the Falkland Islands as regards their own future.

We shall work with our allies and partners for stability in the Middle East and in particular for a just solution of the Arab-Israel dispute which must reconcile the need of Israel for security with the rights of the Palestinians and of Israel's neighbours.

We will continue to support the BBC External Services and the work of the British Council, and encourage overseas students to train in this country.

The Conservative Government respects and values the Commonwealth, and we will continue to seek ways of promoting the development and influence of this unique body of nations.

During the last four years, the Conservative Government has shown itself committed to helping less developed countries achieve a greater prosperity. Britain's Aid Programme has been a substantial one throughout this period and the next Conservative Government will continue to help poorer nations directly, and also in cooperation with our partners in the European Community and the Commonwealth. However, official aid is only one way in which we can help developing countries. Our continued willingness to

import their products, and the outward flow of British private investment funds are major engines of development. The next Conservative Government will therefore maintain its full support for both private investment and an open trading system.

We live in a troubled and unpleasant world where freedom is often threatened and individuals oppressed. It is our aim in dealing with other countries to protect and further the interests of Britain, of British citizens and of British trade. It is also our aim to work with our allies and partners for a safer and more decent international society. Britain is respected precisely because we are seen to follow these aims. We shall continue steadfastly to honour that tradition.

Passage for insertion in Defence Section

Ours is a strategy for peace. We will maintain strong British forces in order to safeguard peace. We thus show anyone minded to attack us that they would suffer unacceptable damage in return. But at the same time we shall continue to work for balance and verifiable agreements between the West and the Soviet Union which could achieve security at a lower level of armaments. No one in Britain wants to pile up armaments for their own sake. But one-sided disarmament would undermine our security and remove any incentive for the Russians to reach agreement with us. Multilateral disarmament will not be achieved by slogans or demonstrations - only through the hard firm language of treaties patiently negotiated with safeguards against cheating. With our allies we shall seek to negotiate such treaties on nuclear weapons, chemical weapons, and conventional force levels.